

King & Co.

FINANCIAL TIMES

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COMPANIES
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IN ENGINEERING & BUILDING CONTRACTORS
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Electricity slumps
Power cuts likely today

Equities rise 12.0; advances in gilts

German employer chief kidnapped

Japan set for £4.3bn. reflation

TGWU suspended for hour in TUC row with pub men

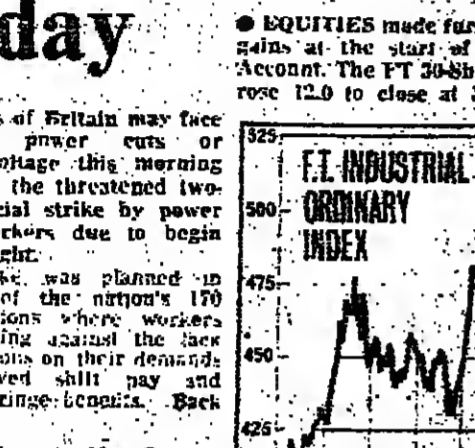
Public sector borrowing within IMF limit

New owners take tough line in Daily Express dispute

There are still a few places where Blackwood Hodge arent known.

NEWS SUMMARY

BUSINESS
Equities rise 12.0; advances in gilts
EQUITIES made further gains at the start of the new Account. The FT 30-Share Index rose 12.0 to close at 519.5, the highest for five years and about 5 per cent off its all-time peak of 546.3.



GILTS advanced up to 1 in the medium and long sectors of the market. The FT Government Securities Index moved up 0.24 to 712.7, which is 0.27 off the 31-month high in May.

STERLING slipped six points against the dollar to £1.2413, but its trade-weighted index was unchanged at 62.5. Most other major currencies also eased in terms of the dollar.

GOLD was up \$1.40 at \$147.875.

WALL STREET was closed for the Labor Day holiday.

WEXICO is to raise a loan of at least \$150m for seven years from international banks.

PROBABLE FAILURE of the Indo-Western industrialised countries to fulfil the growth commitments agreed at the May summit is likely to be discussed at a meeting of officials in Washington.

WORLD STREET was closed for the Labor Day holiday.

TGWU suspended for hour in TUC row with pub men

BY CHRISTIAN TYLER, LABOUR EDITOR, IN BLACKPOOL

The Transport Workers, Britain's biggest union with nearly 2m. members, received the fright of its life yesterday when it found itself suspended from the TUC—at least for an hour or so.

The extraordinary blow on the part of the TUC's Congress, which delivered by the National Association of Licensed Public Houses, which has 13,300 members and a Congress delegation of just three.

For about two years the association has been organising about the behaviour of TGWU members who are refusing to deliver beer to a Birmingham pub run by one of its members.

Mr. Harry Shandler, the association's general secretary, had asked the TUC Congress to suspend the Transport Workers and a TUC dispute committee agreed in July, ordering the draymen to remain loyal to the PNH and Goshawk pub, as it called it.

He would not be deterred by the fact that the TUC had suspended the 12m. engineers. Subsequently they were allowed by Congress to reverse their vote which had been in favour of the suspension.

The incident, which forced the Congress to go into recess and the General Council to hold a special emergency meeting, ended with delegates approving a procedural motion presented by the standing orders committee.

The brief suspension was widely regarded as a warning from unions who have suffered from the TGWU's aggressive re-

Democratic
Mr. Shandler said during the process that the first decision was to suspend the "very democratic" nature of the TUC.

"The unions are very concerned to maintain the democracy of the TUC," he said. "There will be no compromise on this. We will not accept a vote which would allow the TUC to be taken over by a few individuals who are not representative of the union as a whole."

Public sector borrowing within IMF limit
BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PUBLIC sector borrowing requirement in the first three months of the financial year was comfortably within the limit for 1977-78 agreed with the International Monetary Fund.

But it is still too early to say with any certainty whether there will be enough leeway under the £10.7bn. ceiling for 1977-78 to allow more than modest stimulus to the economy in the current financial year, even if the Government thought this was desirable.

The Central Statistical Office said yesterday that the borrowing requirement for April to June was £1.71bn, seasonally adjusted. This is £390m. lower than in the previous three months and is the lowest quarterly figure for three years.

It is equivalent to an annual rate of £5.85bn, which probably undercuts the underlying trend because the April-June figures do not take account of the conditional income tax changes implemented in the current quarter.

These tax cuts might boost the borrowing requirement to £7.2bn-£8.2bn. The rate of borrowing also had a slight difference in the April-June figures.

The official line is that it is not possible to draw any conclusions for 1977-78, and in any case there is a forecasting margin of error of £2bn. on either side.

Consequently the Government is likely to wait until at least November, when a new forecast is produced, before considering whether to introduce any refinancing measures. Any action in the current financial year is likely to be on a small scale, with the bulk of any stimulus coming in 1978-79.

A favourable underlying trend is indicated by a borrowing requirement of £7.7bn in the last 12 months compared with £10.5bn. In the previous 12 months, reflecting in particular the tight control on public spending.

Changes
The Central Statistical Office said yesterday that the borrowing requirement for April to June was £1.71bn, seasonally adjusted. This is £390m. lower than in the previous three months and is the lowest quarterly figure for three years.

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New owners take tough line in Daily Express dispute
BY DAVID CHURCHILL AND MAX WILKINSON

MANCHESTER on Sunday night, in addition to the normal print run of 1.4m. These were distributed as far afield as Northampton and Exeter. Management was also hoping for an extra print run last night, but because of the warehousemen's dismissal there was little chance of extra copies being distributed in London and the South-East.

Talks to find a solution to the dispute failed last night. They had been held under the auspices of the Newspaper Publishers Association and officials of the engineers' union, the Amalgamated Union of Engineering Workers.

The engineers at the centre of the dispute are asking for £110 a week. In addition to their present wage of £140 a week, and demanding parity with the top-paid print workers whose take-home pay on piecework is about £250 a week.

Police were investigating the disappearance of the pieces of equipment from the foundry. The missing pieces are rings and clips needed for the foundry machines.

These are specially made to fit each machine, and could not be replaced in less than about 12 to 14 hours, even if engineers could be found to do the work.

Some of the missing equipment has been found, but not all. In the last dispute with Express engineers, when 95 men were dismissed, pieces of equipment

Dismissed
The management retaliated by ordering extra copies to be printed on the Manchester presses. But warehousemen in London refused to handle these extra copies.

Yesterday they too were told, they were deemed to have dismissed themselves for breaking their contracts.

An extra 500,000 copies of the Daily Express were printed in

EF PRICE CHANGES YESTERDAY

Ladbroke Group	185xd	+17
Land Secs.	207	+11
Leiras	107	+10
MEPC	111	+12
Pearl Assurance	180	+39
Reed Int'l	215	+13
TPI	98	+24
Thomson Org.	715	+65
Tube Elect. A	412	+18
Tube Invs.	412xd	+14
Vickers	213	+16
Wentworth	614xd	+13
Sibers (UK)	332	+52
Blyvoor	288	+24
Corn. Gold Fields	188	+6
Kamuning	72	+34
Kloof Gold	368	+43
President Brand	291	+34
RIZ	221	+6

FALLS

Blackwood Morton	16	-8
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German employer chief kidnapped

BY ADRIAN DICKS

BONN, Sept. 5. Dr. Hanns Martin Schleyer, president of the West German Employers' Federation, was kidnapped after a savage terrorist attack on his car in Cologne, during which three police bodyguards and a driver were shot dead.

Responsibility for the attack, which shook Bonn to the core, was claimed in a telephone call made to the West German news agency DPA in Karlsruhe.

The rafter identified himself as a spokesman for the "Red Army Faction," a title used in several of the previous terrorist outrages that have plagued this country in recent months.

He threatened that "the next one will be someone from the German Supply."

A separate call to the Munich office of the mass-circulation Bild-Zeitung, threatened that Dr. Schleyer would be killed at 5.15 p.m. local time to-morrow unless Bader and all the others in Stammheim are released.

The Federal Prosecutor's office at Karlsruhe, which is in charge of the country-wide anti-terrorist drive, promised by previous incidents, is refusing to comment on the case until to-morrow morning.

A member of Dr. Schleyer's family stated that he had definitely been kidnapped, but by midnight this had not been confirmed by the police.

West German terrorists have used kidnaping as well as murder to further their ends in the past. In February 1975 the Berlin politician Peter Lorenz was held for a week and released when a group of terrorists were allowed to fly to West Germany.

Dr. Schleyer, a director of Daimler-Benz in charge of industrial relations, is one of the most vocal spokesmen in West Germany for private industry, and the first man to complain that the president of the free enterprise, on July 20 Heri Juergen Ponto, chairman of the Dresdner Bank, was shot dead in his own home in Frankfurt by a group of four young terrorists who included a family friend.

On April 7 a car ambush similar to today's was carried out against four members of the Chief Federal Prosecutor in Karlsruhe. He and two other men were shot dead.

Japan set for £4.3bn. reflation

BY DOUGLAS RAMSEY TOKYO, Sept. 5.

JAPAN is expected to decide to-morrow on a supplementary Budget worth ¥2,000bn (14.3bn) to reflate but economy and meet the official target for 6.7 per cent in gross national product this year.

The Cabinet may make last-minute changes in the draft Budget submitted by the Finance Ministry, but it is thought Mr. Takeo Fukuda, the Prime Minister, will have no trouble pushing the package through the Diet by mid-October.

If the figure of ¥2,000bn. is confirmed to-morrow, the reflationary package will be substantially more than business was expecting. Today, the Tokyo stock market set a new high for the year in anticipation of the package, the Nikkei-Dow Jones average closing at ¥5,287.65.

Public works issues led the growth stocks in today's trading, though some export-oriented stocks, and notably Sony also moved up strongly.

Half the supplementary Budget will go into additional public works projects, according to reports of a meeting between Mr. Fukuda and his key economic ministers last Saturday.

By ploughing ¥1,000bn. more into these projects, Japan will have pushed total public works spending to fiscal 1977 to about ¥3,200bn.

Mr. Fukuda is also expected to ask for ¥150bn. in extra finance for local government projects, a much smaller supplementary amount compared with the original Budget allocations, the Federal Reserve to increase its lending rate.

New high
The remainder of the package will go toward loans for the housing industry.

In terms of final demand, Japanese economists think the package could be worth closer to ¥3,000bn. and thus serve as a major incentive for industries to begin investing again.

But according to the Long-Term Credit Bank in a report just released on the outlook for equipment spending, even this size of package does not get at the fundamental problem of over-capacity in Japanese industry, operating at 55 per cent of capacity, or perhaps even less.

"It would take ¥20,000bn. to match capacity and demand in the Japanese economy," according to a bank economist. "So the best that the Government package can do is to bring a bit closer the day when industry begins to invest again seriously."

Discount rate
The new 4.25 per cent rate in the official discount rate which took effect on Monday is intended to convince businesses that funds are now tight enough to make investing worthwhile.

The Bank of Japan hopes to win a psychological point in favour of expansion and investment, since the bank rate cut contrasts sharply with the decision last week by the U.S. Federal Reserve to increase its lending rate.

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For latest Share Index phone 01-236 8026

LOMBARD

Sick news from America

BY ANTHONY HARRIS

THE EFFORTS of the Carter administration to impose some sort of price control on the cost of medical care is a story which deserves a lot more attention than it is likely to receive in this country...

Fastest growing It seems likely, though, that private insurance, which has been reduced demand for medical care, expenditure on doctoring even absorbs no less than nine per cent of U.S. national product...

At the root According to the Conference Board, to whom I owe the facts cited here, the insurance system is at the root of a good deal of the trouble...

What is perhaps worse, many insurance schemes are limited to hospital care. This simply results in hospital treatment for many cases which could, so far as medical need is concerned, be treated perfectly well at home...

SPORT

CRICKET

BY TREVOR BAILEY

Weakened England should still beat Pakistan and New Zealand

THE ENGLAND GROUP to tour Pakistan and New Zealand this winter is rather predictable and really has only two major surprises. The selectors, of course, have been handicapped by the non-availability of Greig, Underwood, Knott, and now, Woolmer...

YACHTING

BY ALEC BELL

Whitbread pace quicken near Canary Islands

MOST OF THE 15 competitors in the Whitbread round-the-world yacht race, who last week were struggling off the west of Spain in light winds, are now making good progress...

RACING

BY DOMINIC WIGAN

Queen's filly is a good bet

RIDING PLANS for the St. Leger, Britain's oldest classic, which is only four days away, seem to suggest that there will probably be a dozen or more for Alleged, Ireland's bol favourite...

TENNIS

BY JOHN BARRETT

McEnroe continues the havoc

JOHN MCENROE, the 19-year-old qualifier who reached the semi-finals at Wimbledon, continues to wreak havoc among the stars of the tennis circuit...

TV Radio

- 1 Indicates programme in black and white. BBC 1: 6.40-7.55 am. Open University (UHF only). 10.15 Grandstand. 12.45 pm. News. 1.00 Pebble Mill. 1.45 Camberwell Green. 2.45 Ar Y Brig. 4.18 Regional News for England (except London)...

F.T. CROSSWORD PUZZLE No. 3459

Crossword puzzle grid with numbered squares for clues.

- ACROSS: 1 Who had to change for a ride on Jumbo? (6). 4 A bowler is commended for the racecourse (8). 10 The accepted time for a spread (8, 3). 11 The Saint of Chorea (5). 12 Eaten daily and used by the intelligent (4). 13 Quarrel with distinction (10). 14 Harangue goes on about proportion (7). 15 Club for a GP with a place in Bucks (8). 16 Keeps off crooked purchasers (8). 17 We have one short month to get it or a doorkeeper (7). 18 One of the top spots (10). 19 It may be sinister—the crazy to round it (4). 20 A house where the haddie drops in (5). 21 Kings and Queens must come to this (3, 6). 22 MCMXXVII (4, 4). 23 EXPENSIVE!! (for health) (6).

BBC 2

- Trades Union Congress: Live coverage at times to be announced. 6.40-7.55 am. Open University. 11.00 Play School. 4.55 pm. Open University. 7.00 News on 2. Headlines. 7.45 May I Have The Pleasure? 7.50 News on 2. 7.55 Scene: New Plays for Young People. 8.10 Turning Points. 9.00 Rhoda. 9.25 Marie Curie, part 4. 10.20 Lions and Lambs: The history of British Isles Rugby Team. 11.05 The France 1 Love. 11.30 Late News. 11.40-11.45 Closedown: David Markham reads "The O-Filler" by Alastair Reid.

- DOWN: 1 Am in the hotel with the Admiral's lady (8). 2 Headgear for the alert (4-5). 3 Competent seaman might follow it (4). 4 Stuffed but not by a taxidermist (7). 5 Out-of-the-way announcements (10).

WINE

Another record year in the salerooms

BY EDMUND PENNING ROWSELL

RECORD turnover was again achieved by Christie's and Sotheby's for their wine sales in the recently ended 1976-77 season. For lots actually sold in the London salerooms Christie's total was £23m. Sotheby's £23.5m. Christie's also chalked up another £207,000 for sales held abroad, and Sotheby's £154,000; and in addition both firms held sales for other companies in the U.S., Hong Kong and South Africa, totalling £85,000 on which they claimed their commission. To complete the wine auction turnover picture, Sotheby's derived £38,000 from a sale held in Glasgow, while Bonhams and Phillips sold wine in their rooms to the value of £18,000 and £12,000 respectively.

EUROPEAN NEWS

Bonn may seek Callaghan reassurance over Europe

BY ADRIAN DICKS

BONN, Sept. 5

MR. JAMES Callaghan's visit to Bonn this week, long scheduled as part of the U.K. Prime Minister's regular series of meetings with Chancellor Helmut Schmidt, is likely to be used by the West German government as an occasion to clarify what public opinion here has perceived as disturbing evidence of British ambivalence towards Europe.

Attempts to form new Dutch coalition

By Michael Van Os

AMSTERDAM, Sept. 5

QUEEN Juliana has appointed two mediators to pave the way for a new left-of-centre Dutch coalition, which has so far taken over three months to establish.

Owen in talks on Spanish EEC entry bid

BY DIANA SMITH

MADRID, Sept. 5

DR. DAVID OWEN, the British Foreign Secretary, who insisted on his arrival at Madrid airport this morning that Gibraltar would not dominate his talks with the Spanish Government.

Its 30,000 inhabitants, she is prepared to seek a compromise with Britain and respect the special interests of the Gibraltarians.

To-morrow Dr. Owen will pay courtesy calls on King Juan Carlos and Prime Minister Adolfo Suarez. On his return at the week-end from a tour of The Hague, Copenhagen, Paris and Rome in search of backing for Spain's European aspirations.

cup, rather than a serious threat to Government stability.

Meanwhile the authorities have scored a success in two potentially-awkward long running conflicts. After mediation at the week-end in the dispute between management and labour in the shoe industry, which led to a fortnight's strike that lost Spain millions of dollars in export revenue.

Socialist Workers' Party (PSOE) went to the place of Man for talks. At a news conference earlier this evening Sr. Gonzalez voiced some scepticism at persistent rumours of a Government crisis.

"The Prime Minister," said, "will bring me up-to-date on the current situation in any fortnight's absence. Gonzalez has been touring America representing both party and the Socialist International."

Third German terrorism victim

BY ADRIAN DICKS

BONN, Sept. 5

DR. HANNS Martin Sobleyer, the president of the West German Employers' Association, whose wife was still uncertain after an attack on his car in Cologne last night, was the third prominent victim of a West German terrorist attack so far this year.

in a milder degree some of the terrorist's violent and sometimes overbearing society, are willing to give them the benefit of the doubt.

Chancellor Helmut Schmidt, speaking at Herr Bubaek's funeral, appealed to university teachers and other intellectuals in a position to influence students and other young people considered "susceptible to such an indulgence, to remember the violent nature of the terrorist movement."

French petrol tax to rise

BY DAVID CURRY

PARIS, Sept. 5

MOTORISTS will bear the brunt of the extra taxation to be proposed by M. Barre, the Prime Minister, in an across-the-board 7.5 per cent. increase in tax thresholds which will cost the Treasury some Frs.4.5bn. while leaving a good 1.5 per cent. below what would have been necessary to compensate for price rises over 1977.

Turkey-IMF loan talks

BY METIN MUNIR

ANKARA, Sept. 5

TURKEY, WHICH is suffering from an acute disequilibrium in its balance of payments and shortage of foreign currency reserves, today opened negotiations here with the International Monetary Fund for a possible stand-by loan.

New Greek party formed

By Our Own Correspondent

ATHENS, Sept. 5

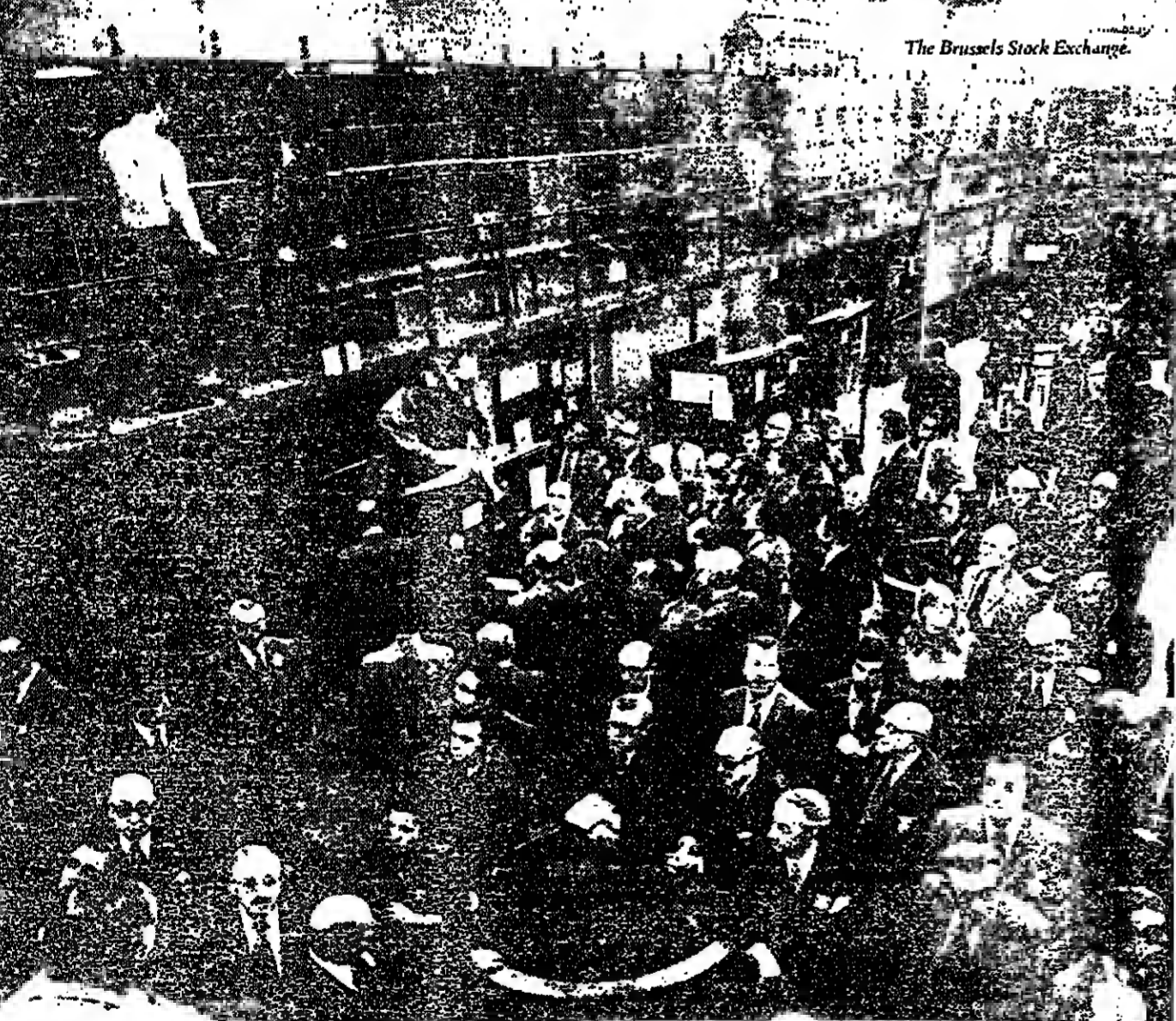
MR. CONSTANTINE Mitsotakis, a former Greek Finance Minister, today announced the founding of a new political party, to be known as the "Neoliberal Party."

Left worries Italy Communists

BY PAUL BETTS

ROME, Sept. 5

THE ITALIAN Communist Party, which for the first time in 30 years is now part of the government process, is increasingly alarmed at the growing schism between the official party and young, extreme left-wing independent factions, the *Autonomia*.



The Brussels Stock Exchange.

POLISH POLITICS Trying to involve the people

BY CHRISTOPHER BOBINSKI IN WARSAW.

JUST AS Mr. Edward Giersek, the party leader, needed a fair slice of luck, on top of political skill to steer Poland through the coming months, the weather has dealt him a cruel blow.



Edward Giersek... in need of luck.

of student nonconformists this autumn. In what could be a significant development, the leadership is also trying to involve ordinary people more in the country's affairs, in order to maintain what the party has long called "the social equilibrium."

when the administration is to blame shortcomings on something which it has to avoid doing since last year's food price strikes and shortages. The plenum will also attempt to clarify the author's view that they really are something about these problems and to find out what is going on at the local administrative level.

Advertisement for Banque Bruxelles Lambert. Text: "If you want to attract attention in Europe, we can put your name in lights." Includes contact information for the bank in Belgium and London.

Advertisement for international customers. Text: "Now your international customers can dial you toll-free from Frankfurt, Zurich, Geneva, Barcelona, Amsterdam, Brussels, Madrid and Bahrain." Includes a phone number 800 and a service logo.

ASIAN NEWS

Canberra signals intention to defend Australian dollar

By Kenneth Randall. AUSTRALIA HAS now signalled clearly to international money managers and speculators that it is prepared to mount a major defence of the Australian dollar. But how convincing the signals look from a distance is yet to be proved.

THE URANIUM DEBATE

Fission in anti-nuclear lobby

By our Canberra correspondent. MORE THAN 200 anti-uranium demonstrators clashed violently with police on the Sydney docks last night while a freighter, the Kangaroo, was loading uranium oxide for Britain.

Queensland police have decided to ban all but traditional street marches — not mentioning uranium, but clearly in anticipation of a growing and potentially violent campaign.

New S. African opposition party formed

The realignment of white opposition political parties in South Africa was formally completed yesterday with the formation of the Progressive Federal Party from the union of the former Progressive Reform Party and six members of the former United Party.

Rhodesia oil ban call

Zimbabwe President Kenneth Kaunda yesterday called for the West and the world's major oil producers to impose a total ban on fuel supplies in Rhodesia.



Somalis claim capture of Jijiga

By James Buxton. THE WESTERN Somali Liberation Front claimed yesterday it had captured Jijiga, one of the three strategic towns at the northern end of the Ogaden region where a war is raging with Ethiopian troops and militia.

French study in Bangladesh

PARIS, Sept. 5. SOCIETE Francaise d'Etudes et de Realisations Nucleaires (Sofranel), a French nuclear advisory concern, has been awarded a contract to make a feasibility study for the construction of a nuclear power reactor in Bangladesh.

Arab League agrees on Israel protest

By Michael Tingay. FOREIGN Ministers of the Arab League agreed today on a formula for protest at the United Nations General Assembly against the establishment of Israeli settlements in occupied territories.

Bhutto bail hearing date

By Simon Henderson. ISLAMABAD, Sept. 5. THE BAIL application of Mr. Zulfiqar Ali Bhutto, the former Prime Minister of Pakistan, is to come up for hearing in the Lahore High Court on September 10.

U.S. expects slowdown in Comecon trade with West

By David Lascelles. COMMODITY shortages and a growing internal demand for all of their strength in both industrial and primary goods. But factors that will limit Comecon's ability to export to the hard currency area in the coming years, a report released by the Joint Economic Committee of the U.S. Congress states.

Israel's U.S. exports up sharply

By L. Daniel. TEL AVIV, Sept. 5. ISRAELI exports to the U.S. this year are likely, for the first time, to exceed the \$500m. mark, and they are rising much faster than imports from the U.S.

Ericsson wins \$8m. order

By John Walker. STOCKHOLM, Sept. 5. THE Australian subsidiary of the Swedish L. M. Ericsson telephone company has received an order from the Overseas Telecommunications Commission (OTC) of Australia for communication equipment worth \$8 million.

U.K.-Finnish trade boost

By Lance Keyworth. HELSINKI, Sept. 5. BRITISH EXPORTS to Finland in the first half of the current year rose to £174.2m, compared with £136.5m. in January-June 1976.

Canada in Jordan project

By Ramf G. Khouri. AMMAN, Sept. 5. CANADIAN banks are expected to play the leading role in financing the projected \$250m inland sports complex at the southern tip of the Gulf of Aqaba.

SOUTH AFRICAN WINE Exports to the EEC in trouble

By John Stewart in Cape Town. NOT since 1861 when the Gladstone Government revoked preferential duties on Constantia wines from the Cape have South African wine exporters to Britain been in a less favourable position.

Venezuela in \$52m. deal with Spain

PRESIDENT Carlos Andres Perez of Venezuela has announced that the Spanish automotive firm Pegaso (Pegasus) will build a \$52.5m motor plant in Eastern Venezuela.

\$18m. Pakistan plant

ROMANIA will supply Pakistan with cement plant machinery worth \$18m, government officials said, reports AP-DJ from Islamabad.

Iraq buys buses

DAIMLER Benz AG has won an order from Iraq for 400 mini-buses from its Düsseldorf plant this year, a company spokesman said in Stuttgart.

Ghana venture

TAYLOR Woudrow group's international division and Soc Security Bank of Ghana have formed a Ghanaian joint company, Taysec Construction, in Accra.

Qatar spends \$138m

QATAR HAS awarded Swedish construction firm S Byggen a \$138m contract for the construction of housing in the Persian Gulf Emirate.

Saudi petrochemical

THE San Francisco-based Bedouin Chemicals has been appointed by Saudi Arabia to carry out preliminary engineering studies and development estimates for a joint venture petrochemical plant in Saudi Arabia's Ya Industrial Center.

Machinery orders

MACHINERY orders received by Japanese manufacturers in August totalled \$30.862bn, down 1.9 per cent from \$32.348bn in June.

Japan car fall

JAPAN'S new vehicle registrations in August totalled 368,000 units, down 4.4 per cent from 387,000 units in the like month a year earlier.

May challenge offshore oil

Spending in building

HANDLE BASE

HOME NEWS

J.K. may challenge rulings on offshore oil boundary

RAY DAFTER, ENERGY CORRESPONDENT
GOVERNMENT may challenge the international ruling on the offshore oil boundary between the U.K. and France...

Healey renews 10% sanctions threat

BY PHILIP RAWSTORNE
MR. DENIS HEALEY, Chancellor of the Exchequer, strongly re-affirmed the Government's intention...

Laker complains about forcing Skytrain to fly from Stansted

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
CONCERN ABOUT the increasing competition facing his low-fare Skytrain plan for flights between London and New York...

Higher spending urged to meet 'crisis' in building industry

PHILIP RAWSTORNE
The National Executive Council of the Building Industry has urged the Government to increase public spending on building...

Fogarty takes over

PROFESSOR Michael Fogarty is to take over as director of the Centre for Studies in Social Policy from the end of this month...

Peachey appoints new chief

BY JOHN BRENNAN, PROPERTY CORRESPONDENT
MR. JOHN BROWN, former managing director of Arden Properties, is to become managing director of Peachey Property Corporation...

We'll show you Italy the business way. Alitalia's services: more flights to more Italian destinations. Alitalia's organisation: more offices in Italy to help you once you are there.

£1-a-brick for Labour's new £2m. HQ. THE LABOUR PARTY is to launch a £2m. pound-a-brick appeal on September 27 to develop its new headquarters site in Southwark, London.



A Hertz No.1 man gets away from the crowds. Fast. When you rent a Hertz car you're a No.1 man instantly. We don't keep you waiting. You want a car? You get it...fast! An economical Ford Fiesta, the new Cortina, Granada or another fine car...

KJOENHAVNS HANDELSBANK (COPENHAGEN HANDELSBANK A/S) COPENHAGEN. Our bank's ordinary operations in the first half of 1977 resulted in a profit of Kr. 164 million, or Kr. 11 million less than for the first half of 1976.

Hopes dashed. On finance raised from the Italian National Bank, whose board included Mr. James Callaghan in one of his 'out-of-office' directorships, LPP acquired a site in Walworth Road, Southwark in 1973.

The Hertz No.1 Club Phone, sign, and go. LONDON 01-402 4242 MANCHESTER 061-437 8321 BIRMINGHAM 021-643 8991 GLASGOW 041-248 7733

مصرف المشرق

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Map by George Philip and Son Ltd. © 1977.

Midland Bank International  Delivers.

TUC '77 Blackpool

Congress Report by Christian Tyler Alan Pike Pauline Clark and Nick Garnett Pictures by Terry Kirk

Second vote ends TGWU confusion

THE MIGHTY fell amid astonishing scenes on the opening day of Congress yesterday, and for about an hour Britain's largest union was suspended from the TUC because of a minor dispute over a public house without beer.

Delegates in Blackpool voted in favour of a motion from the 13,329-member National Association of Licensed House Managers to suspend the 1.9m-strong Transport and General Workers Union from TUC membership for failing to implement a disputes committee award at the Fox and Goose, a suburban pub in Birmingham.

Although the disputes committee found in favour of the managers' association, which represents the Fox and Goose manager, transport workers draymen are continuing to block the public house.

It has been without supplies since the committee's award 14 months ago.

Poached Mr. Harry Shindler, the association's general secretary, was enthusiastically received when he warned that Congress must belong "not to the big battalions, but to all members."

He referred to "Mafia-like actions," claiming that 100 of his members had been poached by the transport workers union.

Then he declared: "There are no two standards of conduct, one for the big organisations and one for the small. If you vote against this motion, you are voting against the rules of Congress."

Mid noisy support for Mr. Shindler, Mr. Moss Evans, general secretary-elect of the transport workers, went to the rostrum to reply.

His opening remarks appeared to misjudge the mood of Congress, and when he expressed surprise that the licensed house managers had raised the Fox and Goose issue in view of some of the serious items on this week's agenda, delegates left him in no doubt that they regarded the implementation of disputes committee awards as serious.

Mr. Evans told Congress that a number of days had been spent trying to meet the requirements of the award.

However, his members felt strongly that the problem at the Fox and Goose was with the employer, and he was not a sergeant-major who could crack the whip and force them to accept the findings.

Obligation However, the view of many delegates afterwards was that Mr. Evans had, in effect, adopted a sergeant-major role in much of his speech.

Before the vote was taken, Mr. Len Murray, TUC general secretary, stressed that the transport workers had a clear obligation to implement the award.

He believed Mr. Evans had done everything in his power to achieve this.

Despite vocal support for the licensed house managers during the debate, there were gasps of surprise when, on a card vote, the move to suspend the union until it implemented the award was carried by a 133,000 majority.

Members of the transport workers' delegation, more than 80-strong, stood uncertainly in their seats and uproar in the hall, and several senior union leaders tried to intervene.

After a few noisy minutes Mrs. Marie Patterson, TUC presi-

dent and herself a TGWU official, suspended conference for the General Council to meet.

The union's salvation was provided by Mr. Hugh Scanlon, leader of its biggest industrial rival, the Amalgamated Union of Engineering Workers. Mr. Scanlon—who, it was discovered after a High Court action, does not have a casting vote on his own national committee—explained that his delegation's vote had been mistak-

ed and himself a TGWU official, suspended conference for the General Council to meet.

When the AUEW card was built up against the TGWU, it reflected the majority opinion of delegates who had been consulted by that time. But when the full delegation had voted, the majority switched in favour of the TGWU.

On this basis—although amid many protests—the Congress general purposes committee declared the vote which suspended the transport workers miscast, and proposed to the resumed meeting that it should be taken again.

Although the bulk of the TGWU delegation had by this stage left the hall, Mr. Jack Jones, general secretary, Mr. Evans and other senior officials remained, and cast the theoretically suspended union's vote in support of the suspension vote being repeated.

This was carried by 7,170,000 to 4,165,000, and on the new vote the suspension move was lost by 7,680,000 to 3,975,000.

Within seconds the emotionally charged atmosphere which had dominated the day evaporated, and Congress returned to discussing routine organisational matters.



Jack Jones in discussion with Alex Kilbom (centre) and Moss Evans (right).

Postal strike action backed

POST OFFICE union leaders have won the backing of TUC delegates in their efforts to achieve a change in the law which would give Post Office workers the right to strike.

The delegates approved a motion calling on the TUC general council to press the Government to amend the Post Office Act, 1953, and the Telegraph Act, 1963.

Proposing the motion, Mr. Norman Stagg, deputy general secretary of the Union of Post Office Workers, said that the Labour Government was committed to amending the Acts, but the Post Office unions feared that its efforts on their behalf could be seriously hampered by opposition in some sections of Parliament.

The present position which makes it a criminal offence for Post Office workers to withdraw their labour, however, remained "intolerably unfair," Mr. Stagg said.

He pointed out that when Post Office workers had taken industrial action under the last Conservative Government no one had attempted to haul the unions through the courts.

The UPW and the Post Office engineers' union feared the since the use of the Acts by the National Association for Freedom aimed at preventing industrial action by postmen against Gurnwick in November last year, and against a proposed boycott of South African mail earlier this year, the Government had ended they now risk being taken to court on any occasion calling for industrial action by Post Office workers.

Pub 'dry' for two years

THE Fox and Goose, a mock-Tudor public house in Birmingham's Washwood Heath district, has been "dry" for more than two years.

Bleeking action, started by Transport and General Workers Union draymen in July, 1975, had reduced trade dramatically at a once thriving tavern.

Customers in the 50-seat steak bar, where only soft drinks are available, have dwindled to a handful. The pub was built in the 1930s by Ansell's during its expansion programme.

Two years ago, there were arguments between the draymen and the manager, Mr. Tony Collinson. Ansell's eventually suspended Mr. Collinson on full pay and brought in a relief manager.

The case was taken up by the National Association of Licensed House Managers. In August last year, following an investigation by the TUC disputes committee, Mr. Len Murray, TUC general secretary, urged the draymen to end the blocking. His call has been ignored.

Mr. Bill Clutton, the present manager of the pub with no pay and no benefits because he is a member of the licensed managers' union, draymen have refused to deliver to the Fox and Goose.

Plan to resolve P.O. participation dispute

PROPOSALS aimed at ending dissension over the allocation of seats to worker directors on the Post Office Board have been circulated to the unions involved.

They are particularly relevant to the Society of Civil and Public Servants, which is threatening to take part in the scheme, regarded by Government and unions as an example of industrial democracy throughout British industry.

The issue to be resolved is how the management unions in the Post Office are to be represented on the reconstituted Board, which will have seven seats for worker-directors.

The Union of Post Office Workers and the Engineering Union, representing 75 per cent of the Corporation's 400,000 employees, are claiming two seats each, the Civil and Public Servants Association claims one, leaving two for the five small management unions.

The Society has adopted a hard line on these claims, holding that it deserves a seat of its own. The proposals now circulating, which emanate from the UPW, point out that if the Society were to take a share in the two seats, management union seats, its 8,000 Post Office members would be better represented in numerical terms than the big unions would.

Bus workers' pay claim

REPRESENTATIVES of 700 maintenance men employed by the Greater Glasgow Passenger Transport Executive yesterday submitted a 20 per cent pay claim—and gave a warning that they would not rule out industrial action in support of it.

The men, maintenance workers, engineers, electricians and vehicle builders at nine bus garages, at present earn £50 a week.

As well as a £10 increase they are also seeking average earnings to be paid during holidays, the present three-week holiday to be increased to four weeks, a reduction in the work week from 40 hours to an as yet unspecified figure, and extension of free travel.

Mr. John Lyons, joint shop stewards' secretary, said that the management had already indicated that it would stick to the 10 per cent Government guidelines but be said: "The men are fairly determined and we would not rule out industrial action."

New air strike move likely

NO MOVES emerged from either side in the strike of air traffic control assistants yesterday, and it was suggested that efforts might be made at this week's TUC conference in Blackpool to bring the Civil Aviation Authority and the Civil and Public Services Association together.

The strike is over higher pay for air traffic control assistants, which they claim was agreed some time ago for implementation when the Government's pay rules permitted.

Although Phase Two of the pay pause has ended, the Government wants new pay settlements in single percentage figures, and at not less than 12 months' intervals. The authority feels obliged to abide by the Government's rules.

The dispute, which has already involved one strike over the August Bank Holiday week-end, as well as a period of "working the situation is that only about 40 per cent of the time-table is in fact being cancelled.

The worst-hit areas are the U.K. domestic operations, where flights at all are being cancelled on the routes between London and Liverpool, Leeds-Bradford and Newcastle, and very few on the Manchester route.

The London to Glasgow and Edinburgh shuttles are running at two-hourly intervals, with no back-up aircraft.

The other cancellations are mainly on the short-haul international routes to the Continent. Long-haul flights are running close to normal, with not more than about four cancellations by British Airways a day.

Would-be passengers are advised to telephone 01-789 4848 for information on abort-haul European and domestic flights, and 01-789 2825 for long-haul intercontinental flights.

Grunwick debate to-day

TO-DAY'S business will open with the debate on Gurnwick, which was postponed yesterday as a result of the dispute over the suspension of the Transport and General Workers Union.

Other businesses will continue, but mainly on social issues related to workers and trade unionists, including racial discrimination and equal pay and opportunity.

Coverage of social insurance and industrial welfare is also planned, including retirement issues and those occupational pensions and unemployment benefits.

Also to be debated are specific problems related to child benefits and one-parent families. Health and safety questions, there is expected to be a full debate on the Health and Safety at Work Act.

Unions should set example over sex equality

SOCIAL AND economic justice cannot be achieved against a background of public spending cuts, rising prices, and increasing unemployment, Mrs. Marie Patterson, TUC President, said in her opening address to Congress yesterday.

If the movement's social policies were to be fulfilled, the "curse of unemployment" must be dispelled and the economy expanded.

"It is not enough that we have called for every school-leaver to have a full-time job or a training or further education place however well the Manpower Services Commission has responded to this call," she said.

"So long as unemployment is rising and many of the unemployed are and will be school-leavers we are, all of us, diminished."

Mrs. Patterson devoted much of her address to problems which continue to face women and girls in society. The education system must help eliminate barriers for girls by providing a common curriculum for both sexes.

"Girls have been shown on leaving school to be particularly ill-equipped for entry into many careers. The fault lies not only in their careers education, but in the failure to build a common curriculum for boys and girls throughout their school lives."

There is now considerable evidence of the extent to which girls are educationally disadvantaged and the TUC has been concerned to expose this inequality.

Mrs. Patterson reminded Congress that the better the example set by the trade union movement the better would be the chances for women to find their rightful place in other walks of life.

Women made up more than a quarter of the TUC membership and they were under-represented particularly at the Congress and on the General Council.

U.S. jobless cause of concern

BRITISH trade unionists told yesterday by both U. Canadian speakers at the TUC Congress: Blackpool that the problem of unemployment was as serious a source of trade union concern across the Atlantic as it is in Britain.

Describing the near-unemployed in the U.S. as "totally unacceptable," to Canadian trade unionists, Mr. Turner from the Am Federation of Labor and Congress of Industrial Organizations talked of the need to bring Federal Reserves Bank under democratic control under the wing of Congress.

He attacked the Fed's policy on inflation and an economy underlining the problem was not one of inflation but one of unemployment.

Mrs. Shirley Carr, from Canadian Labor, said she launched a bitter attack on Pierre Trudeau, the Prime Minister and the Liberal Government in Canada for allowing a 15m. unemployed to persist for the continuation of controls.

She said the trade union opposed wage controls to start and now the business community also wanted to control in order to allow the return to investment country. But neither Mr. T. nor the Government's "policy" was the answer.

"We have nowhere to go to fight and we intend to fight until democracy returns free collective bargaining in Canada."

Gold award for work in union movement

MRS. MARIE PATTERSON, the been a trade unionist for 33 years and a delegate to Nottingham Trades Council since 1966. Mr. Roy Leeming, of Preston, a member of the Association of Professional, Executive, Clerical and Computer Staffs, received the youth award, made each year for work in the movement by a member under 26.

The women's gold badge was awarded to Mrs. Una Walton, of the Tobacco Workers. She has been a trade unionist for 50 years, 30 as a shop steward.

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Support for 12-month rule

SIR MONTY FINNISTON, former chairman of British Steel, yesterday launched an attack on free collective bargaining and gave support to the 12-month rule.

Sir Monty, after opening an exhibition of East Kilbride industry to commemorate the new town's 20th birthday, said: "I want the 12-month rule to continue. Free collective bargaining is rarely free, seldom collective and never a bargain."

Membership exceeds 11.5m.

THE TUC has collected almost 500,000 new members in the last year—taking its total strength over 11.5m. for the first time. Mr. Len Murray told Congress that membership of affiliated unions is now 11,515,920 compared with 11,036,328 in 1976. The increased total includes 69,000 in newly affiliated unions and an extra 400,000 members in previously affiliated ones.

OTHER LABOUR NEWS

Leyland craftsmen in pressure group

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT SHOP STEWARDS representing 14,000 craftsmen in Leyland Cars voted to form a group to press for improved pay and differentials for skilled workers.

The new group immediately invited the unofficial top-makers' committee to join forces in seeking recognition from management.

Stewards from 26 of the 34 Leyland plants attended the conference and agreed to set up a national committee to advance their aims. At least 10 trade unions are represented on the unofficial body.

Mr. Bill Fitzpatrick, a Longbridge senior steward and the conference spokesman, said the movement reflected the dissatisfaction of skilled men at the way their pay and status had declined in relation to production workers.

Craftsmen had been treated as second-class citizens for many years. Resentment was "brimming over" in such an extent that it was difficult to know whether the shop stewards or anyone else could contain it.

Mr. Fitzpatrick stressed that the craftsmen wanted to pursue their objectives by persuasion and negotiation and not jeopardise the jobs of colleagues.

"We have no intention of hecoming a splinter group, we want to smash Leyland into the ground."

The proposed national committee, which will seek to attract representatives from each of the 34 plants, will meet next week to draw up a constitution and elect officers.

The committee will explore whether its aims could be achieved within the company's proposed package of industrial relations reforms.

The unofficial body is certain to meet with a rebuff from Leyland management, which is determined not to allow separate wage agreements for particular groups of workers.

Shop stewards, particularly those from the Amalgamated Union of Engineering Workers, could also run into opposition from national union executives.

Mr. Fitzpatrick was optimistic that the Leyland toolroom workers would join the craft grouping.

Rover and Swindon, the two biggest Leyland divisions, which refused to join the month-long strike earlier this year, both attended yesterday's conference.

At Lucas, where the strike by 1,200 toolworkers has made 25,000 motor-industry employees idle, a group of women made rowed efforts to seek a breakthrough. About 60 women, demanding a return to work, demonstrated outside the King Street headquarters, in Birmingham and a delegation met management.

The return to work by strikers at the Jaguar engine plant, in Coventry, gathered pace yesterday. The 50-strong maintenance section which voted on Friday to call off action in pursuit of a 220-week wage claim was joined by about 100 other workers.

ASTMS report attacks industry

BY NICK GARNETT, Labour Staff A RATE of inflation little more than 10 per cent next year, but relatively poor prospects for land and manufacturing, are the main predictions in the quarterly review of the Association of Scientific, Technical and Managerial Staffs.

A large part of the review is taken up by a severe general attack on industry which, the union says, has failed to utilise increasing profits for investment.

Mr. Clive Jenkins, the union's general secretary, also said at Blackpool that he believed the economic recession in Britain, and probably worldwide, would deepen.

The review argues that the inflation rate will probably be about 12.5 per cent by the end of this year and could be about 10.5 per cent by the end of 1978.

But it says that in spite of rising profits manufacturing investment is very low and long-term economic prospects poor.

The union envisages that manufacturing investment will rise by between 5 and 7 per cent this year.

Growth in the gross domestic product, which the union expects to work out at about 1 per cent through 1977, will be only slightly better next year.

Industrial output will nick up in tandem with consumer spending next year.

The review predicts a level of overall unemployment near 1.75m. by Christmas.

Mr. Jenkins said yesterday that billions of pounds worth of profits were "sloshing" around and by not ploughing the benefits into a "profits explosion" back into manufacturing, industrial leaders were acting like economic saboteurs.

Ministers defend award

A PAY increase of nearly 30 per cent given to Methodist ministers this month is being investigated by the Government.

The Rev. Derek Farrow, Ministers received their 29.5 per cent rise on September 1, in spite of the fact that talks are still taking place between the Church and the Department of Employment over the decision to award the increase, which appears to be contrary to the Government's recommended ceiling of 10 per cent.

The award increases the average weekly earnings of ministers from £37.77 to £51.50.

The Rev. Derek Farrow, general secretary of the Methodist Church's national division, said that the Church had consulted taking place between the Church and the Department of Employment over the decision to award the increase, which appears to be contrary to the Government's recommended ceiling of 10 per cent.

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PULLMAN INC. FIRST SIX MONTHS RESULTS

Pullman Incorporated—For the first six months of 1977, the Chicago-based international corporation reported a net income of \$14,578,000 (1.33 per share) on revenues of \$897,278,000. A special provision of \$3,120,000 (0.28 per share) relating to the New York City subway car contract reduced earnings which had reached \$19,062,000 (1.75 per share) for the first half of 1976.

During the second quarter of 1977, Pullman Incorporated received orders for more than \$1,000 million which brought total Pullman backlog to a record level of \$4.100 million. Pullman Incorporated declared a dividend of 33 cents per share for the second quarter.

It has maintained a record of consecutive cash dividends for the past 110 years.

HISTORY TODAY Edited by Peter Quennell and Alan Hodge The SEPTEMBER issue includes: NANA SAHIB AT GAWNPORE, 1857 Christopher Hibbs COBBETT'S VIEWS ON SCHOOLS Molly Townse MATTEO RICCI IN CHINA, 1583-1610 Nora C. Buckl THE LAVALLETTE AFFAIR, 1815 Michael Glou THE STRAND BLOCK OF SOMERSET HOUSE, Part II Sonia and Vivian Lipman BRIGHTON CHAIN PIER L.W. Cowe NOW ON SALE, 50p. Annual subscription £6.70 (US\$16.00) for 12 issues including postage from Bracklen House, Cannon Street, London EC4P 4BY

Handwritten signature or scribble at the bottom of the page.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Evaluating cold forging

WHILE COLD forging of some products is technically feasible but not yet economically competitive, for other components the limitations are purely technical.

To investigate why this process, despite its saving in material costs, has few commercial applications, the National Engineering Laboratory (NEL) has reviewed present knowledge of the field (citing 65 references) and has evaluated possible developments in cold forging.

Each stage in the process adds to product cost, and the proportional cost of each stage varies with the product and the batch size. More accurate information is needed on the functional performance required of engineering products so that the most cost-effective method and manufacturing route for a specified performance can be established.

Billet preparation accounts for a significant part of the total production cost. Using powder metallurgy techniques to produce sintered or hollow billets, and intermediate preforms, could

save much of this cost, not least products in which the number of operations needed.

Each forging requires appropriate dies and often additional heat treatment, both of which can be costly.

NEL says that the scope for saving in other areas appears to be limited, particularly if the starting material, rather than the product performance, is specified. Tooling performance is a critical factor in assessing the commercial feasibility of cold forging and only large product batches can justify the additional cost of carbide tooling. Methods of increasing tool performance by reducing tooling stress or by improving tool material should be considered. Tool material obtained by powder metallurgy shows promise but its practical performance has yet to be established.

Further information is available in Report No. 629 (Possible developments in the cold forging of steel by M. T. Watkins) from NEL, East Kilbride, Glasgow and intermediate preforms, could

Flexible workholder

IT HAS been proved that NC machine tools are an economic proposition for small batch work as well as longer runs, but an aspect that is labour-intensive and expensive, especially for small batches, is the making of jigs and fixtures.

One solution to this problem is the universal workholding system developed by Wharton and Wilcox of Hertford. It consists of a range of elements, finished to a tolerance of 0.0003 inches, which can be assembled in a variety of combinations to hold almost any size and shape of component.

When a batch is completed, the fixture is photographed and the parts used are listed, so that the fixture can be readily re-built if it is again required.

Two basic systems are available, one for general machining and one for numerically-controlled machines. With the first, bush plates and similar tooling guides are included, which are not needed for the NC set. Standard users of the Aircraft Company investigated 920 fixtures built with the Wharton system, and found that labour saving totalled 16,000 man-hours and costs were reduced by 78 per cent. Cost of a system, which is made to order, is between £3,000 and £5,000.

Marketing is by B. O. Morris, Briton Road, Coventry CV2 4LG (0203 455014), a Cope Allman International company.

Casting and pressing

U.K. LICENCES for metalworking equipment are being sought by two Canadian companies through the London office of the Ontario Ministry of Industry and Tourism.

One company is offering a system of metal casting which it says combines the lower tooling cost of the sand method with the higher quality of pressure die casting. Known as the Rant graphite-mould gravity die casting process and developed by Rant Processes Inc. it is being offered as a straight equipment purchase or royalty plus technology royalty/training package with or without a licensing arrangement.

The other equipment is made by Richard B. Whiting Sales and is for punching, pressing, forming, clamping and shearing. It

can be used for operations on materials other than metal.

More information is obtainable from Ontario House, (Business Development Branch), Charles II Street, London SW1X 4QS (01-930 6404).

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High speed lathes

AVAILABLE IN two sizes, the Mini and the Maxi, an automatic electro-hydraulic chucking lathe has been developed by Shahr Machine Tools, of Huddersfield (0434 415231).

Chuck capacities are either 160 to 200mm or 250 to 315mm. Either pneumatic or hydraulic chuck control is available, with repeatable gripping accuracy within 0.001-inch. Stated to need only unskilled labour for loading, the lathe has a maximum spindle speed of 3600 rpm and a traverse speed of 300 in/min.

Because of the high rpm the lathe is fitted with Pratt Burnerd lightweight power chucks. Aluminium alloy is used in the chuck body and jaws to reduce weight. The lathes are electrically controlled using a variable sequence relay system designed by Pratt Electric, and include a safety feature that clears a tool from the workpiece in the event of an emergency stop.

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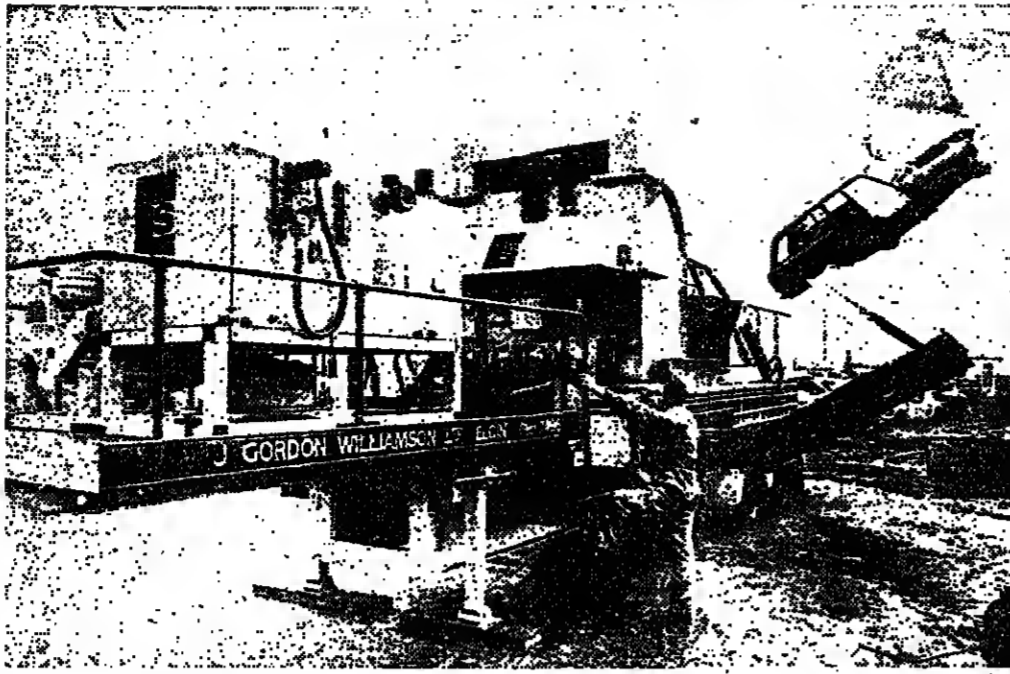
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This mobile shear baling press produced by Longton Machinery Supplies, Walton Summit Centre, Bamber Bridge, Preston, Lancashire, is claimed to be capable of reducing car body shells into six 12-inch bales in about 10 minutes. It is mounted on a tandem-axled step-frame semi-trailer built by Municipal Trailers.

COMPUTING Aid to ship operation

ADDITIONS to the computer services available to the shipping industry and others interested in sea transport have been announced by Y-ARD of Glasgow.

The first, called Invaps, is a financial evaluation program using established investment appraisal techniques, for either single ship or combined fleet operations. It is aimed at those organisations that do not have their own computing facilities but need to undertake an extensive appraisal that would otherwise take up an unacceptable amount of executive time.

The second program is called Tands and is an extension of the company's existing trim, stability and longitudinal strength program.

Both programs are available using the company's own computer. From a suitable terminal they can also be run over a telephone line to the Systemsware Computer Bureau in Edinburgh. They can also be adapted to suit a client's own computer installation. More from Y-ARD, Charing Cross Tower, Glasgow G2 4FP (041 204 2737).

HAND TOOLS Designed to give a strong grip

AN IMPROVED and strengthened version of the toggle pliers made by HMC-Brauer has been launched. The device is a quick-action lock-on industrial clamp-

ing tool, for use in confined spaces.

The jaws and linkages have been updated so that even if the clamp is misused by attaching an extension bar to the handle, the forged steel mechanism will not break. Holding force may be adjusted to a maximum of 135kg, although the required hand grip pressure is less than 1kg.

The toggle action and screw pressure adjuster keep the jaws parallel throughout the clamping range, providing maximum contact area between the serrated jaws and the workpiece.

Length of the clamp is only 135mm. Jaw width has been increased from 13 to 17mm, maximum jaw opening is 12mm and throat depth is 26mm.

More from the maker at Dawson Road, Mount Farm Estate, Blechley, Milton Keynes, Bucks. (0808 74022).

COMMUNICATION Versatile base unit

INTENDED as a base transmitter for working with mobile and portable transceivers and with pagers is a 25 watt solid state vhf unit from Pye Telecommunications.

This amplitude modulated transmitter is suitable for simplex or duplex operation over the frequency range 68 to 174 MHz and uses a linear amplifier in the output stages.

It has been designed with low intermodulation products and so can be safely used on multiple

CONSTRUCTION Efficient pile driving

ENABLING THE pile-driver operator to adjust his controls to maintain optimum performance consistent with the soil conditions, is an electronic monitor for steam hammers.

The device measures the terminal velocity of the ram. A cone vane attached to the hammer breaks a light beam, and the length of time the beam is broken can be measured to within 100th of a millisecond. A chart recorder prints the number of each stroke, and the stroke time. The terminal velocity thus printed indicates the rate of penetration.

The equipment has been developed by Fugro, of Ruislip, Middlesex (081 30791), a geotechnical engineering consultants, for use in their own surveys, in particular in connection with offshore structures.

The company, a subsidiary of Fugro-Cesca BV, Holland, says "Soils in the North Sea can be very hard and present a formidable pile-driving problem. It is important to be able continuously to monitor performance during the operation."

A prototype has been used for a Menck steam hammer during an offshore test at Hamburg.

Amphibious excavator

USING TWO box section pontoons, and the company's 380 degree excavator, the Hitachi Construction Machinery Company of Tauchang, Japan, has developed a self-propelled soft terrain vehicle capable of working on water, marsh and wasteland.

The lightweight boom is 13 metres long and can be fitted

PROCESSING Nickel stripper

WHEN FOR some reason articles have to be re-plated, it is first necessary to strip the existing electrodeposit.

Latest product for the immersion removal of nickel and nickel alloy deposits is Nimstrip, made by W. Canning and Co. Great Hampton Street, Birmingham B15 6AS (021-236 8621). It does not contain cyanide or other complex organics usually found in this type of product.

The maker says Nimstrip is effective for the removal of electroless nickel and nickel-iron alloy coatings, both of which are notoriously difficult to remove. Deposits may be removed from steel and copper alloy components with only a minimum of attack on the base metal.

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Big digger from U.S.

NOW AVAILABLE in the U.K. is the T.800 crawler trencher built by Vermeer Manufacturing in Iowa, U.S. The machine is capable of digging 8 ft deep, 3ft wide trenches.

Track width is 8 ft, and the machine travels on 22-in wide track pads. Final track drive is completely enclosed. The maker says that trenching speeds of 10 to 15ft/minute can be achieved.

Driven by a 100 hp Detroit diesel engine, the unit uses a double digging chain system, and can dig at four speeds plus reverse. Independently of ground speed.

Marketing in the U.K. is by Metaquip, Blandford Heights, Blandford Forum, Dorset DT11 7TE (02582 4226), and the price is likely to be around £35,000.

COMPONENTS Connects plastic tubes

FLANGELESS CONNECTION of high pressure narrow bore plastic tube can be carried out by a connector available from Biolab, 51, Norfolk Street, Cambridge CB1 2LE (0223 68941).

It is stated that the unit incorporates a tube gripper which allows tube-to-tube joints to be made capable of withstanding pressures up to 1000 psi.

Called Omnit, the connectors are of polypropylene (or for corrosive high temperature environments clear Tefzel). In an assembled connector each tube end has a fitting of Teflon encapsulated in stainless steel, offering a large sealing surface. The seal is Teflon-to-Teflon, which in normal use is the only material in contact with the fluid. Repeated connect-disconnect operations are said not to affect sealing integrity.

For sterile filtration

INTENDED FOR the pharmaceutical and allied industries, a small filter assembly said to combine the advantages of large-area membrane cartridge filtration with the economics normally associated with flat-disc membrane filters, has been introduced by Pall Filtration.

Called SealKleen, the assembly incorporates a small disposable cartridge of either one or two square feet effective surface area in a stainless steel housing 9 inches high by 3 inches diameter.

It is stated to achieve removal ratings down to 0.2 micron absolute, making it suitable for small to medium critical filtration applications such as the sterile filtration of small batches of parenteral drugs, or of sera and other biologicals and solvents.

The maker is at Warton Road, Portsmouth P06 1PD (07018 70801), a subsidiary of Pall Europe.

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INSTRUMENTS Quick check on speed

ROTATIONAL speeds from 100 to 20,000 rpm can be measured from a distance of one metre using a portable battery-operated tachometer introduced by Kent Industrial Equipment (Travis Instruments).

Resembling a small cine camera with pistol grip the instrument is easy to use. The operator simply presses a trigger and aims the light beam at a reflective target attached to the shaft to be measured. A point of light on the digital numerical display glows when the light beam is on target and the measurement that takes place is to an accuracy of ±1 revolution.

Proximity sensors are available as an alternative to the optical device and these can be used in tandem to provide accurate measurement from several points to a central position.

Power is from two HP11 batteries. Overall dimensions of the tachometer are 145 x 82 x 44 mm and weight is 775 gms. A high speed version (up to 100,000 rpm) is available. More from Park Road, Barnet, Herts. (01-440 7161).

Gauges film deposition

THOSE CONCERNED with thin film deposition in vacuum will be interested in a thickness monitor from Nanotech which gives a direct reading on a four-digit LED display.

The instrument works by detecting the shift in oscillating frequency of a quartz crystal which is collecting a portion of the evaporant. The shift is related to the mass of film deposited and it is possible to compute film thickness from a knowledge of the area of the crystal exposed and the density of the deposit.

Designated NQC1, the instrument has a front panel digital thumbswitch for dialling in the density in gms/cc and displays the film thickness of any material in nanometres.

The crystal holder, cable connected and operating through a vacuum feedthrough, has associated support files which allow it to be properly positioned with respect to both substrate and vapour source. Maximum thickness that can be measured before replacing the crystal is 12 microns of aluminium (less for denser materials). More from Nanotech (Thin Films) Products, 150th Manchester M25 5WD (061 778 8514).

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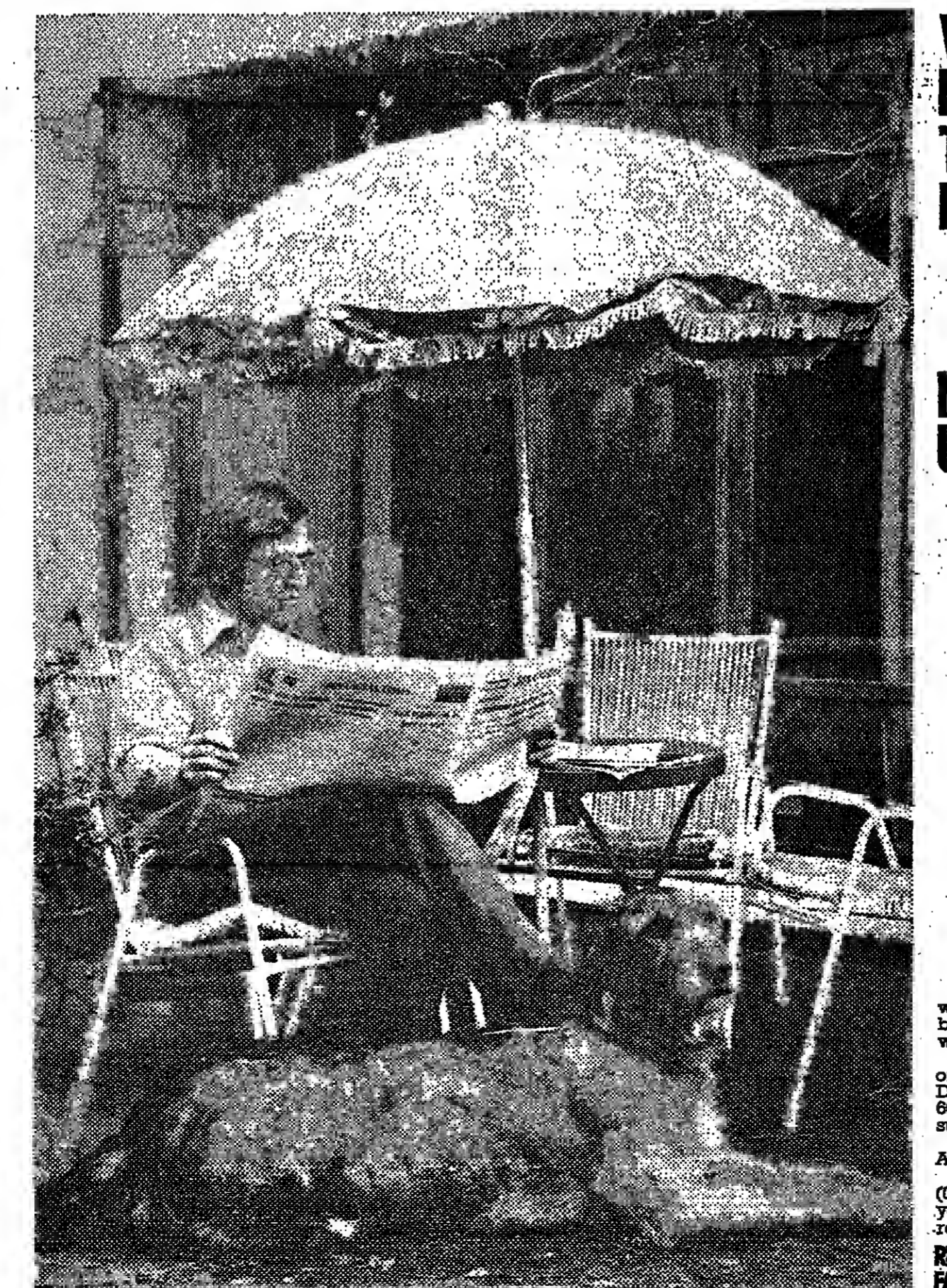
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FINANCIAL TIMES SURVEY

Tuesday September 6 1977

Pensions

Next year sees a major social advance with the introduction of earnings-related State pension scheme providing cover for all. The private pensions industry once thought this would sound its death-knell, but as this survey shows the evidence is for continuing support role for this sector.

Dawn of a new era

By Eric Short

WE ARE now at the threshold of a new era in pension provision in Britain. Next April the new State pension scheme comes into operation ensuring earnings-related pensions for all. After two decades of political in-fighting, when each attempt to introduce an earnings-related scheme by the Government of the day was thrown out by its successor, this present scheme has the acceptance, if not the blessing, of all political parties. Whatever may happen on the political scene over the next six months, the start of the new scheme is assured.

But even more important, the structure of the scheme has given occupational pension schemes an important role to play in providing pensions. No longer will private pension provision be regarded as the rival of State provision. The way has been cleared for a partnership between the two sectors.

The fears of the pensions industry that the Labour Government was by its hereditary pledge to destroy it, fears that were justified in the past by the outspoken attack by the late Mr. Richard Crossman in the 1971 Eleanor Rathbone Memorial Lecture, have finally been dispelled. The late Mr. Brian O'Malley, the Minister of State responsible for much of the design of the new State scheme, did a lot to ensure that this partnership would be real and lasting.

The shackles and frustrations of two years of pay policy were formally removed last month. Pension scheme improvements are once again subject only to Inland Revenue limitations and even now it is difficult to understand why the Government felt obliged to impose them in the first place. Employers, employees and their trade union representatives can now negotiate for worthwhile pension levels in time for implementation by next April.

It is probably too late for employers to do much about deciding the future of pension provision for their employees—whether to stay in the State scheme or contract-out. Even though April may still seem light years away on some time scales, it is very close considering the amount of work that is required to get out of the State scheme. But it is as well to reiterate briefly what is involved.

The new State scheme will provide a pension in two parts. The first tier will be the present flat rate pension which

everyone will receive irrespective of whether they get a company pension or not. The second tier will be based on a person's average career earnings (revalued for movement in earnings) over his best 20 years. Employers have the option to contract-out of this part and replace it by a company pension scheme. But to do this certain conditions must be fulfilled.

First, the benefits provided by the company scheme must conform to minimum standard levels laid down by the Social Security Pensions Act 1975 and ensure that no individual employee is worse off from the decision to contract-out of the State scheme. This involves very complicated procedures for employees who change jobs. Secondly, the employer cannot discriminate on grounds of sex or age as to which employees will contract-out and which will stay in the State scheme. Thirdly, the employer has to consult with his employees and their trade union representatives over the decision to contract-out.

On this last condition, the Act does not define what constitutes consultation, but the trade unions are in no doubt that it means full-blooded negotiations. Failure to conform to this consultative procedure will result in the Occupational Pensions Board (OPB) withholding a contracting-out certificate. Companies are finding that consultation with all relevant groups and unions is taking far longer than was originally anticipated and is the main cause for the slowness



The first contracting-out certificates to be issued by the Occupational Pensions Board at a ceremony last July. Left to right: Mr. K. G. Smith (British Steel Corporation); Mr. G. H. Goodwin (Richardsons of Leicester); Lord Allen of Abbeydale (chairman of OPB); Mr. C. M. Cavaye (Scottish Widows' Fund); Mr. D. M. Potter (Whitton Plant Hire).

in companies getting clearance from the OPB.

If employers are still deciding what to do then almost certainly they are keeping their employees in the State scheme by default. But whether employees are using the State for pension provision by design or default, their task does not end there. The State scheme, despite its complicated benefit structure, has several gaps in it, and there is a strong need for employers in supplement the State provision.

The biggest gap as far as one earning more than about 11 times the national average earnings is the absence of any lump sum will receive the same pension provision, either on death while still employed or on retirement. The State planners showed a tendency to give an individual providing a low benefit accrual what they think he needs rather than what he wants, and any allowance for service prior to 1978. For the older hand to cash payments over employees some supplementary provision is needed.

Life companies have been active in promoting off-the-peg schemes designed to provide lump sum benefits, so this gap

should be easy to fill. The Confederation of British Industry and the British Institute of Management have both made arrangements whereby their members who are staying with the State scheme can supplement the benefit provision.

It is perhaps ironic that company pension schemes have been given their charter of freedom at a time when investment conditions are unfavourable for their operation. Since pensions are linked to final salary, this in effect means that they are linked to salary inflation while the employee is working. Now that the new State scheme provides index-linked pensions for the second tier, there is likely to be strong pressure for all company schemes to follow the example of the civil service and public board schemes and index the whole of the pension being paid after retirement.

But since company schemes are for the most part funded, it needs a real return on investments to keep pace with inflation; otherwise the employer has to make up this investment deficit. There has not been a real return on investments for some years, and whether it will come again is growing more doubtful. The problem could be made worse if investment direction were to be imposed on pension schemes. One gets the feeling that some companies would have welcomed the imposition of an all-embracing State scheme if only to stop their hands from shaking.

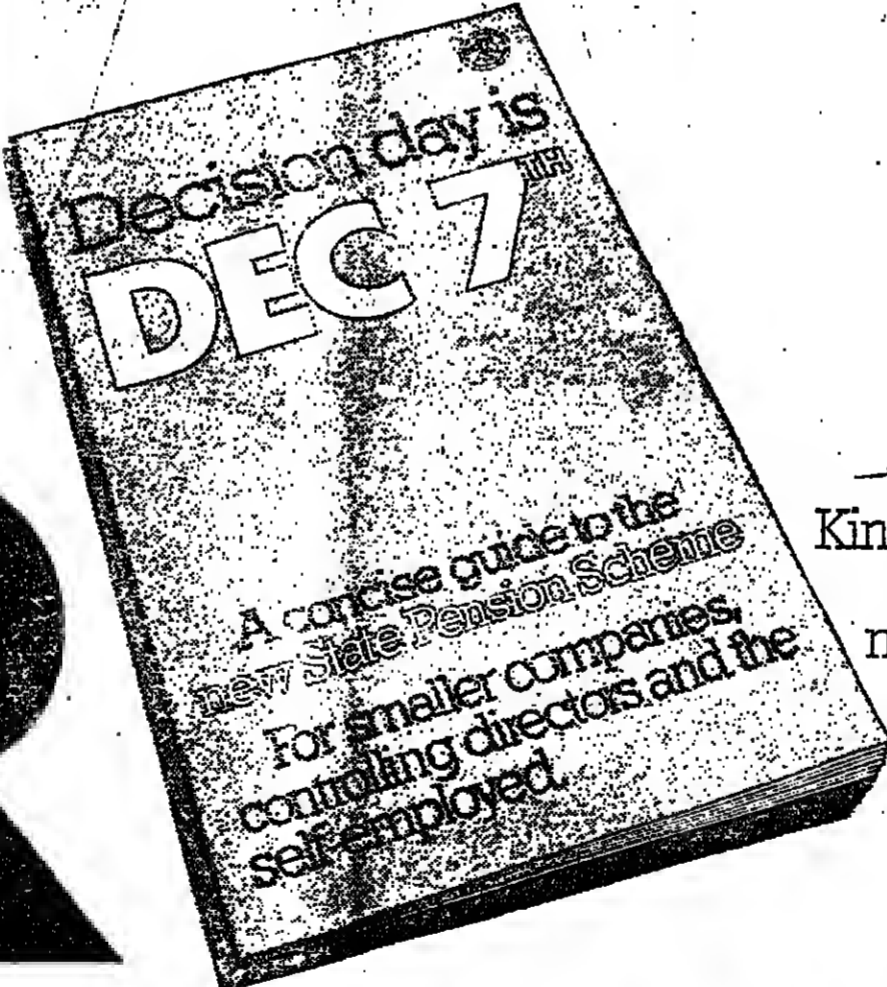
What of the future after April 1978, is out of the way? One noticeable feature of the past few years is the growing

involvement of trade union members in the running and management of the schemes, often with equal representation on all management Boards. Government has prepared a Paper which proposes that trade unions should nominate the members' representatives to 50 per cent of all

These proposals have been bitterly opposed by sections of the pensioners' try and by employers' organisations. When the ultimately appears it will be a return to the political arena. What is certain is that members of pension schemes are going to become more closely involved in the design of schemes either by legislation or by evolution.

Then again, the Government has grandiose plans for dissemination of information to members about their pension scheme. Whether the members themselves want to be burdened with documents, booklet or other pieces of paper has been ascertained. But pension fund managers regard it as one more burden on already overloaded backs. It is needed in several years from legislation so that the Act and its consequences be digested. But it is probably wishful thinking

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PENSIONS II

With the arrival of the State pension scheme there will be a growing demand by employees and unions for closer involvement in company decisions. As DAVID CHURCHILL points out below, the unions will look on this as a logical extension of their growing role in society; DAVID WRIGHT stresses the need for better employer/workforce contact.

High on the unions' list

THE past two years of a closer liaison over the past d pay restraint many few years between the union have increasingly turned movement and Government has attention to negotiating schemes in their members' prepared to take a long-term or what they would overall view. Many consider it call deferred pay. The important to safeguard members' pensions as an era of high inflation and uncertain economic development.

Aware

The other reason is that unions nowadays are more than ever aware of their broader role beyond just maintaining job security and improving pay. Unions are now actively involved in such issues as health and safety, social insurance, racialism, energy, transport, and many other areas where only a few years ago they had no positive policy. Pensions is high on the list of major improvements. Perhaps the most public display of their greater involvement has been in the TUC's determination to see the Government press ahead with plans for union participation in pension funds.

ways on improving employee participation in pension funds. But instead of accepting the idea of a Code of Practice, set up forward by the Board, the Government instead put its faith in legislation.

In the White Paper the Government philosophy is clear. To achieve effective employee representation on pensions funds, only independent trade unions should be represented. This means that employees who are not members of trade unions will not have representation on the funds.

The approach most likely to work, argues the White Paper, is to give recognised independent trade unions the right in 50 per cent of the seats "on all bodies concerned with the general management of occupational pension schemes, such as bodies of trustees or specialist management committees, or bodies of similar character."

Companies that fail to adhere to the legislation could face fines or be forced to stop deducting contributions compulsorily from employees' pay.

According to Mr. Harry Lucas, who is responsible for pensions at the GMWU, the reaction to the Government's proposals has been "hysterical." "It conveys the impression that

masterminding the Government's proposals has already in fact indicated that when legislation is introduced it will provide for union members within a company only to serve as a trustee. But Mr. Orme still refuses to budge on the issue of union representation only, leaving non-union employees out in the cold.

The main opposition to the Government's proposals has come from the CBI. It describes the White Paper as "little more than an edited version of a TUC pamphlet."

To support its opposition, the CBI has carried out two major surveys on pension fund participation. A survey of 100 major companies revealed that of the 1.6m. people in membership, 43 per cent (700,000 members) already have full participation in scheme management, while 11 per cent (150,000 members) have partial participation in that the management body is not responsible for control of investment.

Plans

A further 27 per cent (440,000 members) are in schemes where the companies concerned are working on plans for participation.

The survey demonstrates, says the CBI, that arrangements for member participation in the management of occupational pension schemes are already widespread among large companies and are increasing. There is a wide variety in the form of these arrangements, which are tailored to suit individual companies, say the CBI. In the great majority of cases all members share in the normality of the management body.

The CBI believes that the introduction of legislation would impose an undesirable rigidity which would inhibit the development of these voluntary arrangements. In particular the CBI is opposed to the Govern-

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Employers need to keep the message simple

IT HAS always been a matter of a better supply of information between employer and employee on the complex details of pensions, but given the current upheaval in that area, the need has become that much greater. Under the Social Security Pension Act of 1975 consultation with the representatives on matters covered by the other they intend to contribute to the State scheme that may arise from the event. Since at certain levels of real proposal. The Government is also anxious to improve the level of communications once the company leaves the pension scheme is operational. The bulk of schemes are fully satisfied when the will now have to make available is made. That can be achieved by a high standard of communications.

such matters as a copy of the annual accounts together with the auditors' certificate and details of the scheme's investments. An actuary's certificate would also need to be given regarding the last valuation, while an indication of the investment policy being followed should be supplied.

Any eligible employee joining a company needs to be given a written outline showing the main benefits and conditions of the in-house pension scheme within three months of joining the company. Once the member actually joins the scheme the more detailed information needs to be given including the role of the trustees.

These statutory requirements will obviously make communication that much more difficult and problems similar to those seen in the past are bound to crop up again.

Many companies at some stage or other have issued explanatory booklets but these are seldom read. By and large these booklets become too bulky and rather than explain the function and benefits of the scheme in simple language they ended up very hard to read.

This resulted from the tendency to cram in too much information. Because the trust deeds and rules are almost incomprehensible to the bulk of members there was an urge to use the booklets for reference purposes as well as a way of explaining the scheme to members. This in turn meant that the employer put as much information in the booklet as possible for fear that some important legal matter might be omitted and he taken to court. So with each successive edition the booklet tended to get larger, and far from being the easy read that was originally intended, the booklets became nothing more than an extension of the trust deeds.

Pensions are a very dull subject and since it is a common fact that people under the age of about 45 have little interest in the subject it is a complete waste of time for employers to publish that kind of literature, which often was badly presented as well as being too long. Considering the company invariably is the major contributor to a pension scheme it is imperative that the attractiveness of the house scheme comes across to the members much in the same way that any new pay scheme or productivity deal would be handled: If the message does not come across to members the company could find that instead of improving labour relations the reverse could happen.

However, it is not necessarily just the employer who has an interest in ensuring that the benefits are well communicated. Trade unions also have a role to play in communications, particularly if they were party to the negotiations which led to the scheme's improvement or introduction. Apart from the moves by the Government there are a number of pension consultants who pro-

vide a worthwhile service in improving communication standards. By and large they tend to favour not only more simplified forms of written material but also that these should be accompanied by some form of meeting where visual displays could be shown.

The readability and understanding of these booklets could be greatly improved if shorter sentences and words were used. They should also be rephrased so as to avoid where possible the use of conditionals and negatives and should use headlines and layouts so as to direct the reader to what applies to him and away from what does not apply to him. Certainly these are the views of Metropolitan Pension Association (MPA).

There are some who feel that the use of flow charts is a useful exercise. A logical tree or flowchart is basically a sequence of simple questions or statements that are constructed so that the answer to the first statement leads the member on to the next statement that is relevant to his particular circumstances. The member therefore obtains all the answers to his particular case without having to read the points that are not relevant to him.

One of the most essential points of communication in pensions, however, is the use of explanatory meetings. Research shows that over 80 per cent of information acquired is obtained through viewing with 21 per cent through hearing. But we retain only about 20 per cent of what we hear against over 50 per cent of what we both see and hear.

Explanatory meetings offer the best opportunity to get across information for they not only allow the use of visual aid but they also give scope for some form of feedback by way of questions so any misunderstandings are cleared up. Meetings should not be regarded as a substitute for booklets and benefits statements but merely an extension of the communication system. There can be no substitute for providing each employee with a simple well presented statement showing the figures that apply to his particular case. If possible this statement should be given annually. Bass Charrington and Alcan Aluminium are two companies that now offer employees a statement that gives a forecast of all members' benefits on retirement based on the pensionable salary at the particular time.

A number of other large industrial companies have also made great improvements in their level of pension communications within their organisations, but overall there is still a long way to go. As the MPA rightly point out, in light of the requirements that an employer now has to meet he would be well advised to make a successful industrial exercise out of the necessity to communicate information rather than doing the bare minimum. David Wright



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PENSIONS III

Coping with the menace of inflation continues to be a major headache for the fund manager, indexation being an answer that is too expensive for anyone but the Government. Various remedies have been tried but the best hope must lie in a buoyant securities market coupled with continuing moderation in wage increases.

Effects of inflation

ONCE AGAIN the Government is holding out the hope of "single figure" inflation within the next year, and certainly the rate of price increases seems likely to ease back sharply from the recent year-on-year rate of almost 18 per cent. But few people believe that inflation can return within the next few years to the levels of the 1950s and the 1960s. The threat of prices rising inexorably haunts every pensioner, and poses severe problems for the pension fund manager.

Various ways have been devised of coping with the problem. The ideal method—full indexation of benefits—is unfortunately an option open only to the Government. The indexed pensions enjoyed by retired civil servants and other former public sector employees have become the cause of some bitterness among less fortunate private sector pensioners.

The Government, with its ability to print money, can take on these unlimited monetary liabilities without fear of insolvency. But even the Government's capacity to meet such commitments is not necessarily boundless, particularly in view of the risky decision to link pensions to an index of prices rather than of wages. Originally the Treasury thought this would be cheaper, but the commitment could prove unsustainable after a prolonged period of falling living standards.

A few private sector companies have followed the Government some way along this road, but only on a discretionary basis. Companies like Imperial Group or ICI belong to this context, where long-standing pension funds may have built up a surplus in favourable periods over the years through successful investment policies, allowing scope for upgrading benefits. Alternatively, companies may decide to use part of their profits to help their retired employees.

But there can be no question of such companies entering into formal fully indexed commitments. Any improvements to benefits have to be decided on in the light of what the scheme

or the company can afford. An interesting case is that of Legal and General Assurance, which manages pension funds on a massive scale for other companies. For its own retired employees Legal and General operates a discretionary annual review system.

On July 1 last its pensioners were awarded a basic 9 per cent rise—limited to an absolute cash figure of £207 in line with the maximum payable to current employees under the pay code. With inflation running at over 17 per cent in the period July, 1976-July, 1977, this increase fell well short of formal indexation, although of course the living standards of the nation as a whole were equally falling sharply in this period. Effectively, Legal and General pays for such increases out of revenue by buying lump-sum annuities.

Formal

As an alternative to this discretionary approach, it is possible to build formal "dynamisation" into pension benefits. In this system, pensions rise by a predetermined amount—say, 3 per cent—each year. This is better than nothing, but of course the increases may bear no relation to the actual cost of living rises faced by pensioners in the years of their retirement.

The State scheme coming into effect next year poses a new challenge to private sector employers who contract out. The guaranteed minimum pension will be inflation-proofed by the Government once the pension is in payment. The vulnerability of the extra benefits above the minimum level will thus become very apparent, and in this situation there could be greater pressure from unions and pensioners for full indexing.

The menace of inflation has caused many companies to question the continuing relevance of fully funded schemes, which have often required some very expensive topping-up in the past few years, and have focused attention on the pay-as-you-go alternatives. These have become particularly well

developed, for example, in the private sector in France, largely because inflation has been a serious problem in that country throughout the post-war period.

Pay-as-you-go schemes easily cope with inflation because contributions automatically rise with wages and are paid over almost immediately to pensioners. But they have to be set up on a very broad basis—indeed industry-wide—to avoid the consequences of individual company failures.

Their weakness is that they are vulnerable to changes in the balance between contributors and pensioners, either because of national demographic trends or because of contraction in particular industries. It cannot be certain that in such circumstances the working population will automatically agree to actuarially determined increases in contribution rates.

In Britain the typical company pension scheme has in practice become a combination of the funded and pay-as-you-go methods, the latter representing the discretionary increases, which unlike those in France continue to be vulnerable to company bankruptcies.

If the advantages of full funding and inflation proofing are to be combined it is necessary

to obtain a secure real rate of return on investments. Even a small negative real return would be theoretically acceptable, so long as it was stable, though plainly this could make a scheme very expensive to operate. It is the absence of inflation-proof investments which has threatened to bring about a pensions crisis.

Figures quoted in the recent Economist Intelligence Unit special report on pension funds in Britain highlight the problem. The report concludes that if long-run inflation is in the 5 to 10 per cent range, the levels of pension contributions as a percentage of pay can only be satisfactory in relation to current practice if real investment returns are 2 per cent or above.

On the assumption of 3 per cent real income growth, full inflation proofing would require contributions of 28 per cent of pay if real returns are 2 per cent per annum, and nearly 45 per cent of pay with zero real returns. The costs would be somewhat lower if no real income growth were assumed, a possibility which has become more realistic in the light of trends since 1975, but which may not always be a safe assumption.

Since future trends in inflation and real investment returns are that much difficult to assess, construction of a fully-funded pension scheme has become an unreasonably subjective affair. Schemes relying on normal contribution rates, which have typically been around 14 per cent of pay taking both employers' and employees' shares, may well prove inadequate.

Change

A recovery in the performance of the securities markets would of course change the picture markedly for the better. Between 1946 and 1966 the real return on equities, for example, was of the order of 8 per cent. Since 1966 equity returns have become negative—dramatically so in the years up to 1974—but there has still been a positive real return of 4 per cent or so taking the post-war period as a whole.

Returns on fixed interest securities have been very much worse, causing a long-term shift in investment policy towards equities and latterly property. Until the early 1970s property performed well, but even here returns were negative from 1973 onwards.

The investment crisis is the more serious because enormous growth of new funds in recent years has coincided with the phase worsening investment returns. The Government has refused to offer index-linked securities pension funds, which have solved the investment problem but would have amounted to the Government assuming the burden of the private sector funded scheme.

The hope must now be that the securities markets entering a new and favourable period. It has already shown signs in the past year or so: the FT 30-Share Index is up 500, and long-gilt-edged may well be on a prospective positive come, with yields above 10 per cent, quite apart from the able bonus of capital gains.

A couple of years of stock market performance transform the funding of many pension schemes. It is all very much of a continuing danger of pressure for higher wages again force up inflation into the profits out of future pensions will have paid.

Barry J

Different problems face those setting up their own

pensions entitlements, such as the self employed and the senior executive. The pros and cons of various schemes for the former need particularly careful examination, while "top hat" plans for the executive are being recognised as a useful tool in CTT planning.

Self-employed schemes

FOR THE self-employed the Government's two-tier pension plans have no relevance. For them it is nothing to come out of the scheme, but as yet there does not seem to be any real answer.

As to whether the investor would be better off with a series of single premium contracts renewed each year or an on-going annual premium, which is fixed, is another question that usually crops up. Talking to pension consultants at Sedgwick Forbes it is clear that they believe in the long run that annual premiums offer a better return. However, there are a couple of points of merit in going for single premium contracts.

First, the investor can switch offices as often as he likes and, secondly, there is the practical advantage that the size of the premium can be varied to suit the profitability of any one year's trading. A general guide is to take perhaps one-third of pension savings into single premium contracts for flexibility.

Pensions for executives apart from the rest of the workforce are common in this country and now when pay restraint has undermined direct remuneration executives are looking more and more towards other kinds of benefit. Pensions should rank high on their list, and the executive should expect the company to provide a pension benefit entitling him to the full two-thirds of his terminal salary.

The main advantages of "top hat" schemes (as they have been dubbed) lie in tax relief. In brief, there is full corporation tax relief on company contributions and there is no tax liability for the executive on the company contributions. There is full income tax relief at the highest rate paid for any contributions made by the executive himself and all contributions invested in the pension funds are exempt from capital gains tax, and any lump sum life assurance is free of capital transfer tax. Finally, the executive can receive a tax-free lump sum on retirement and the pension is taxed as earned income rather than investment income.

An important point is that providing the benefits do not exceed the Inland Revenue's limits there is no limit to the contributions the employer can make. The Revenue sets limits on how much pension can be paid per year of service but it is possible to work up to the maximum of two-thirds pension within ten years' service. Apart from the contributions paid by the company, the executive can top up these with his own arrangements—so long as he does not exceed the earnings or the final benefit rules, or for tax relief, he would be

may not qualify for a pension. criticism that other "top hat" schemes but, it does serve to highlight the fact that the scheme, but as yet there does not seem to be any real answer.

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First, the investor can switch offices as often as he likes and, secondly, there is the practical advantage that the size of the premium can be varied to suit the profitability of any one year's trading. A general guide is to take perhaps one-third of pension savings into single premium contracts for flexibility.

Pensions for executives apart from the rest of the workforce are common in this country and now when pay restraint has undermined direct remuneration executives are looking more and more towards other kinds of benefit. Pensions should rank high on their list, and the executive should expect the company to provide a pension benefit entitling him to the full two-thirds of his terminal salary.

The main advantages of "top hat" schemes (as they have been dubbed) lie in tax relief. In brief, there is full corporation tax relief on company contributions and there is no tax liability for the executive on the company contributions. There is full income tax relief at the highest rate paid for any contributions made by the executive himself and all contributions invested in the pension funds are exempt from capital gains tax, and any lump sum life assurance is free of capital transfer tax. Finally, the executive can receive a tax-free lump sum on retirement and the pension is taxed as earned income rather than investment income.

An important point is that providing the benefits do not exceed the Inland Revenue's limits there is no limit to the contributions the employer can make. The Revenue sets limits on how much pension can be paid per year of service but it is possible to work up to the maximum of two-thirds pension within ten years' service. Apart from the contributions paid by the company, the executive can top up these with his own arrangements—so long as he does not exceed the earnings or the final benefit rules, or for tax relief, he would be

eligible to take the contributions against tax at the highest rate paid.

Another point worth remembering is that lump sum life insurance benefits are often arranged under trusts where the trustees are free to pay the benefits at their discretion. Because the investor has never actually had an interest in the benefits they are free of capital transfer tax and therefore "top hat" policies have become a useful tool in CTT planning. Indeed, one broker reported that most of the activity in the executive pensions market over the past couple of years was due to CTT planning by controlling directors.

Because of the tax benefits it is not surprising that the Inland Revenue has set limits such as the fact that maximum benefits relate to the length of service. Also on the tax-free lump sum there are maximum

limits ranging up to one-half times the final salary, someone who has completed at least 20 years' service.

Besides the tax angle, five pension schemes popular because they are fully very flexible in the individual benefits, the payment and the relative of the amounts can be set in individual needs.

For both self-employed executives a brief article only touch the surface issues involved, but for looking to set up his own pension entitlements or interested in whether getting the most from his employer's scheme, the book both subjects publishes Money Management are reading. A new self-edited edition comes out late year.

Terry G

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FROM THE CHAIRMAN'S OFFICE

To Managing Director

6 Sept 1977

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BARIC

PENSIONS IV

One major headache for employers contemplating what action they should take under the State pension scheme is the question of whether to contract-out or not. The decision merits long and careful consideration. The article below describes the conditions which have to be fulfilled if the company opts to contract-out.

Decisions on contracting-out

PASSING of the Social Security Pensions Act 1976 has been described as a revolution in pensions, as a milestone in other baffling administrative problems of such a nature that it is a virtual non-starter. So what considerations does the employer need to bear in mind in reaching this momentous decision? The first must be whether it is financially viable to contract-out or whether it would be cheaper to stay in the State scheme and build up a pension fund. The Government Actuary is calculating the contribution, on average, conditions regarding sex and age distribution of employees and on a positive return on investments of 1 per cent. Each employer should make his own calculations on whether it is financially viable to contract-out, or more to the point get a pensions consultant or State scheme by formally suing an actuary to do the calculations for him. He should bear in mind not only the

present situation but what is likely to happen in the future. Above all this means taking a view on future investment returns. Some companies have taken a very pessimistic view and assumed that a return to positive investment yields is not likely and have therefore played safe and contracted-in. But with many companies financial considerations are not the most important factors in reaching a decision. Industrial relations play a much more prominent role. Even though the proposed State scheme is being introduced by a Labour Government, most employees prefer to do their own thing and have a company pension scheme. A State scheme is a remote set-up not capable of being influenced directly. Benefits levels are subject to top level Government-TUC discussions, whereas the shop floor can negotiate pension levels for a company scheme. Since the Government Actuary calculated the premium abatement for contracting-out on average experience, one would expect that about half of scheme would stay in the State. Although no official figures have

been released, all indications are that it has no existing scheme then there is no added administrative burden. But there is little point in applying for contracting-out unless the main benefit far exceeds the minimum conditions. If an employer has no intention of providing much more than minimum contracting-out benefits, then there is an additional administration problem in staying in the State scheme and adjusting the existing scheme benefits. Inertia is an important factor in reaching a decision. The conditions which a pension scheme has to fulfil before it is eligible to contract-out form an article in itself. The company's pension adviser will point

out where a scheme need to be improved. But in general terms what to do should bear in mind that if they decide to contract-out, they can always change their minds and buy back into the State scheme. The reverse situation would be much more difficult. The Government Actuary has been particularly careful in calculating the buy-back terms to ensure that they relate to current investment conditions by linking such terms to yields on the FT-Actuaries All-Share yield and the FT-A gilt yield. The onus for deciding whether a company scheme is eligible for contracting out rests with the Occupational Pensions Board (OPB). To date it has received very few applications and has granted certificates in even fewer. The main reason for the delay is probably that companies have found that the consultative procedures specified by the Act are taking much longer than forecast. This is one area which cannot be circumvented yet seems incapable of being speeded up.

Guidance for the individual

EXCITING THOUGH the prospect may seem, to take on the responsibility for successful deployment of a large sum of money at 60-plus is a daunting task—even when that responsibility is shared, and part of the money is earmarked for a world cruise. To be faced with such a sum much earlier, following the death of a breadwinner, ought to be a cause for relief; but all too often it is a cause for anxiety instead, particularly where the beneficiary is a woman with a family's welfare to look after and little or no experience in financial matters. What is to be done with the money—will of course vary according to the circumstances; but in either case the obvious reaction is to go looking for advice. But where? Given that relatives and friends have no particular expertise, the first port of call is likely to be the bank manager. Of course that makes sense; it must help if the bank manager knows what is going on, and he must be well qualified to make an initial assessment of the problems which are likely to arise out of any mismatch of assets and liabilities, or any shortfall of cash flow. For the man opting on retirement for a lump sum payment in lieu of part of his salary the former, at least, are unlikely to be serious; he and his wife have probably finished paying off their mortgage, own their house outright, and can afford to take a fairly relaxed view of other major asset purchases like cars. But for a woman who has been recently widowed this may be the biggest of the immediate financial hurdles to be faced. Of course if her husband had any sense he will have covered his mortgage with a life policy; but even if he has she may not be able to run the house on a reduced income (the maximum pension she will get from her husband's firm is one-third of his salary). If he has not she has to decide forthwith between three alternatives: to use any lump sum benefit to pay off the mortgage—in which case it

is likely to return to employment. For a couple at retirement, it is a different matter. And it is the problem of coping with price increases which provides the principal drawback to what are otherwise the considerable advantages of taking a lump sum on retirement in lieu of pension benefits and using it to buy an annuity. Those advantages should not be measured simply in terms of the personal pleasures of having money available—whether it be for pet schemes for which the time is now available too, or money to pay off mortgages or debts. They are advantages in tax terms too—for the lump sum on retirement comes free of tax and can be used to buy an annuity on which a large part of the income will be considered as a return of capital, and therefore tax exempt as well. However, while annuities last a lifetime—and that can be a great reassurance—there is no sight more harrowing than an

elderly person trying to spin out a finite amount of capital to last an unquantified lifetime—they do not grow. Some pension payments do—but only some. Some schemes have a built-in provision for regular growth in the payout—though it is invariably growth at a lower rate than the rate of price increases recently. With others the trustees will from time to time arrange for the scheme to be "topped up" in order that payments to pensioners can be increased but there is, of course, no certainty that this is the case, no obvious provision for any increases in the pension taken at retirement. And where that is the case, an annuity obviously provides a rather more attractive alternative. Working out the advantages of one course of action as against another, in the light of individual circumstances is, however, a job which calls for a certain amount of expertise—more expert than harrowing than an

Advice

The OPB is going to play an increasingly important role in the direction of the U.K. pensions industry. Already its advice on several important pensions questions has been sought by the Secretary of State for Social Security. Its answers have been the model of in-depth practical consideration, free of political bias, probably because its composition has been heavily weighted towards members with long practical experience in pension operations. One can therefore only view with dismay the Government's proposal to reform the Board so that its members are split 50-50 between employer and employee representatives. The potential for political confrontation is enormous and the Government should rethink its proposals.

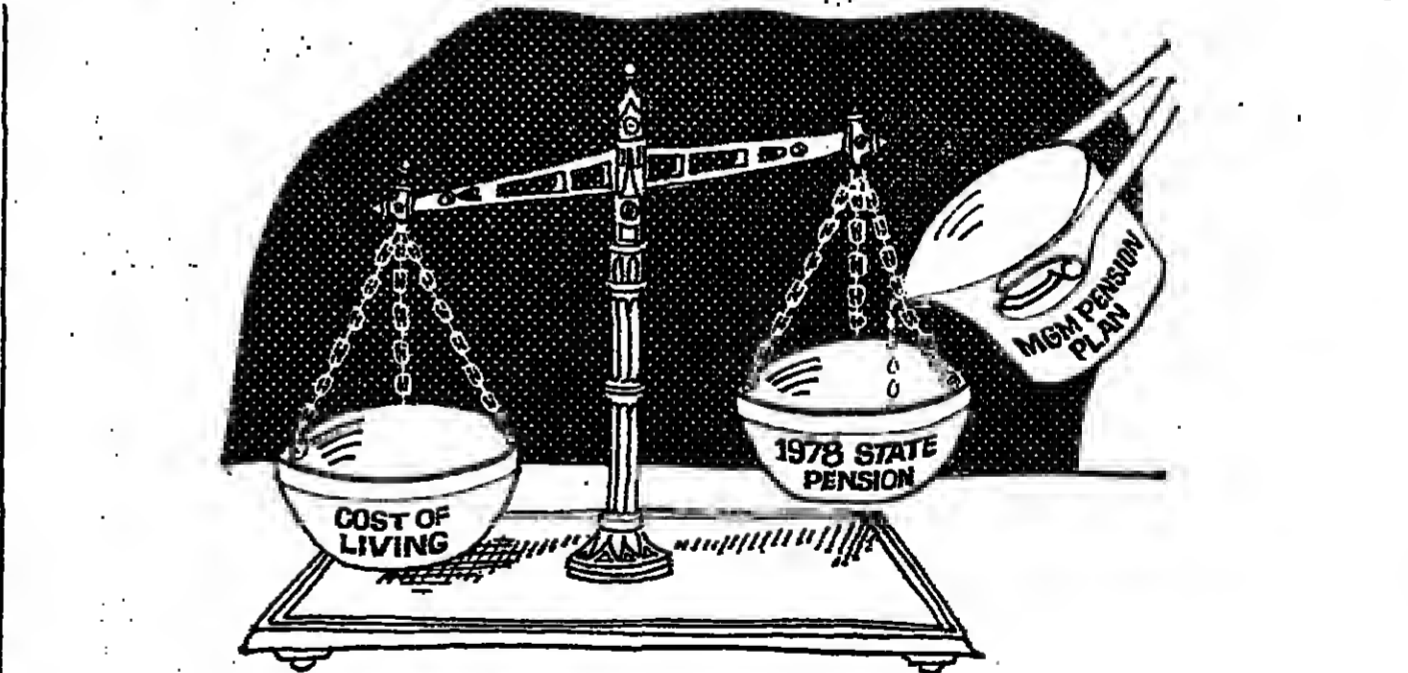
Adrienne Gleeson

Eric Short

PENSIONS ...the next step. A general guide to the Social Security Pensions Act 1976. The Commercial Fund, Growth Pension Fund, Pension & other Benefits for Executives. A decision must be made. It is now a matter of urgency for all employers. Crusader's experience of the Pensions field may well provide the solution you are seeking. Douglas W. Scott, Manager Group Sales & Service Department, Crusader Insurance Co. Ltd., Vincula House, New Place, London EC3P 3BE. Interested in the following Crusader Booklets (if so required): Pensions, Growth Pension Fund, Pension & other Benefits for Executives.

Capital. It isn't likely to be much—a maximum of twice his annual salary on death. Unless he happened to be earning in excess of £10,000 a year, that won't provide her with the capital for successful investment on the stock exchange. And at today's interest rates, even if she puts the whole lot into a fixed interest investment she won't derive much more than a fifth of their previous gross income from it. Assuming a one-third widow's pension from her husband's firm, that leaves her gross income at just over half of what it was at his death. There are, of course, State widow's benefits to be taken into account on top of that. But such a widow will still finish up with an income of which a large slice is static and another slice is dependent on factors, such as interest rates, over which she has no control. How serious that situation is depends on two things: how rapidly she herself can return to work—where there is at least a reasonable chance that her remuneration will keep pace with price rises—and what happens to the level of inflation in the meantime. For such a widow the problem of deploying a lump sum is at least a finite one—at some point, unless she is incapacitated, she

won't be available to supplement her income; to go out to work herself to keep up the repayments—and even if she is qualified to do so, children may mean that this is not feasible; or to sell up and move. Unless her husband had a very high level of life cover, however—or unless she herself happens to be remarkably well-qualified to earn—she is almost inevitably going to have to accept a cut in her standard of living. Under these circumstances the successful deployment of the lump sum she will have received from her husband's firm if he died in employment—and if his firm's pension scheme was any good—becomes of vital importance.



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here is the plan for dealing with the problems the new pensions act will create. The Social Security Pensions Act 1976 comes into operation next April and must add to your pension administration problems. Baric Computing Services have been helping companies with their pension scheme problems for several years. Those problems, and their resolution, led to the development of two key systems. These well-established systems were evolved by pensions specialists working in close collaboration with computer experts. One system, COMPASS, has been designed to relieve your staff of the repetitious and mundane administration of the scheme, releasing them for more productive work. The other, PENDANT, deals with actual pension payment requirements. Both systems are flexible, comprehensive, confidential and cost effective. And they could be working for you, easing your problems, in 3 months time or less. Moreover, they are backed by the 20 years experience of the leading British computing service bureau. And like all Baric systems, we guarantee fast turnaround and high quality. To find out how COMPASS or PENDANT can help you, call or write NICK GILL on Stoke-on-Trent (0782) 29681 or our London office 01-890 1414 Extn. 254. An ICL/Barclays Bank Company. Baric Computing Services Ltd West Avenue, Kidsgrove, Stoke-on-Trent, ST7 1TL.

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PENSIONS V

The articles on this page discuss two of the most testing problems in the pensions field. The first concerns the as yet unresolved questions of equality of pension rights between men and women. The second lies in the difficulties facing pension fund portfolio managers in these times of high inflation and negative real return on investments.

The goal of equal rights

FOR THE MOMENT, at least, it looks as though the attempt to achieve real equality in pension rights between men and women has been abandoned. The reasons, however, lie not in the shallows of chauvinism but in the rather murkier waters of politics and bureaucracy. For the problem in adjusting occupational pension schemes to provide equal treatment for men and women lies essentially in the fact that most of them provide for different retirement ages—60 in the case of women, and 65 for men, or variations upon that theme. And, as emerged from the second White Paper on the equal treatment of men and women in occupational pension schemes published in March this year, the Government has no intention of doing anything about that.

Moves to amend the inequity run up against cost on the one hand and politics on the other. Very tentative figures prepared by the Government Actuary's Department for the Occupational Pension Board's inquiry on equal status a year ago suggested, on the basis of earnings in the third quarter of 1975, that to lower the age of retirement for men would cost some £40m. per year in respect of past service benefits for each year lopped off, and a similar amount in respect of future service benefits. Both amounts would rise with salaries, and with any new benefits introduced.

One alternative would appear to be to raise the age of retirement for women. It is, however, an alternative which did not recommend itself to the Occupational Pensions Board (OPB) because, as it pointed out when the results of its enquiry were published last year, it would be unfair to those women already contributing to existing schemes in the expectation of retiring at 60.

The whole business has been bedevilled by the interaction between the occupational schemes and the State scheme, where the same discrepancy over the age of retirement exists, and where the consequences of rectifying it could be very wide-ranging indeed. Mrs. Castle pointed out to the House of Commons in 1975 that the cost of lowering the retirement age for men to 60 under the State scheme would be an unacceptable £1.4bn. a year; and that has since been updated on DHESS estimates to £1.7bn. a year, with an additional £300m. a year for increases in social service provisions.

Raising the retirement age for women is, in the Government's view, politically unacceptable—only a few of the women's organisations have called for it as a logical alternative. Such a move could, apart from anything else, have dramatic consequences for the unemployment figures.

Any attempt to iron out the discrepancy over retirement ages within occupational pension schemes, while it remains in force within the State scheme, works very much to the disadvantage of men. A man retiring at 60 under an occupational pension scheme has, for example, five years to wait before he can draw his State pension; and if the benefits under his occupational scheme are less than generous that means that he may end up drawing supplementary benefit.

Any attempt to raise the retirement age for women, however, leads to converse disadvantages: a woman who can work to 65 under an occupational scheme has increments accruing to her within the State scheme, to which her male contemporaries are not entitled. So any move to equalise ages within occupational schemes ahead of a similar move in the State scheme looks very unlikely indeed: in fact, the OPB

recommended that any requirement that occupational schemes should iron out the discrepancy should be dependent on such a move within the State scheme first.

Having ruled out any such move, for the time being at least, the Government appears to be pushing ahead regardless with some of the changes which the OPB considered were dependent on it—notably the equalisation of members' contributions, benefits, options, and arrangements for the preservation and transfer of benefits. The OPB's argument was that, on members' contributions for example, some distinction must remain to allow for the fact that women earned their pension benefits over a shorter period than men.

To go by the White Paper published in March, however, the legislation which the Government proposes to bring in will require contributions and benefits to be equalised irrespective of the period over which

such benefits are earned; and the question which arises, in consequence, is who is to fund the difference? If the State, then the concept of equality has taken a curious turn: if the employer, then the new pensions legislation designed to provide women with better rights to a pension may end up by depriving them of the right to work. A pension subsidy on such a scale is going to make a woman a very expensive employee.

In these circumstances, to abandon the notion that there are differences between the sexes which justify different treatments of pension rights looks like mere lip-service to equality. But in fact the Government, like the OPB before it, has not abandoned it entirely. It accepts that there is no point in trying to ignore the fact that on actuarial calculations, women do live longer—at least, it accepts that in respect of commutation rights which pension scheme members may exercise. So when a woman decides to commute her pension she will receive a higher capital sum than her male counterpart—though, of course, if she uses that sum in buying an annuity she is going to receive one with a lower yearly income.

Neither the Government nor the OPB accepted, in contrast, that mortality arguments should have any effect on the rate at which benefits accrue in defined benefit schemes—where differences in the treatment of the sexes are in any case comparatively rare; and neither has it accepted that it should affect the method of adjusting pensions for early or late retirement. The Government has not, however, followed the OPB in accepting that similar survivors' benefits should be available to widowers as to widows; in this case it has accepted representations from within the industry, that the differences in the age at which men are likely to die must affect the provision for their pension scheme members' benefits.

In the meantime the Government is already planning to bring in legislation "as an opportunity allows" on the controversial elements of the OPB report—notably on the provision of more information to members and benefits, and the strengthening of access requirements—to give, for example, the excluded married persons on ground their marital status, to ensure that scheme entry conditions are not applied to women as regards length of service.

They are in addition planning legislation on some areas which may be of real benefit to women; particularly maternity leave, placement, Protection Against Unfair Dismissal, and the changes to pension scheme benefits in cases of divorce and remarriage.

Adrienne Gitt

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Investment policy decisions

ALTHOUGH NO official figures have yet been issued, the indications coming from the pension consultants are that a high proportion of employers (far higher than anticipated) will be contracting-out of the State scheme and making their own pension provision for their employees. Whatever the reasons for this decision, the justification will rest primarily with the investment performance of the underlying fund.

The practice in the U.K. is for pension schemes to be fully funded. This means that the pension scheme builds up assets over the working life of an employee to meet the pension liabilities when retirement comes. Since pensions are now based on final salary or average revalued salary, the contributions have to be invested in assets where the investment performance will match salary inflation over the working life of employees. Failure to match salary inflation will mean that the employer will have to make additional contributions.

This means that the bulk of a pension scheme's assets will be held in equities and property where values are backed by real assets, with only a minority in fixed-interest monetary assets. The cult of equity in the 50s and 60s led to a growing involvement of pension schemes in equities and by the early 70s this enthusiasm had been transmitted to property. The strong positive cash flows of pension schemes and their tax exempt status were two positive factors in this boom.

But the higher rates of inflation over the past few years and the negative real return on investments has meant that in the short term at least pension schemes investments have not matched up to the demands made on them. The survey made by Harris Graham and Partners, leading pension consultants, on the performance of exempt pooled pension funds shown in the accompanying table is interesting. It shows that while this year's recovery has enabled equities, property and fixed-interest to outpace inflation over the past three years, it has still not caught up over the longer periods.

The present recovery has come just in time. But the past two years have been ones where the salary levels overall have been kept down by pay policy. If in the next two years wages and salary levels start to move ahead rapidly, then the present investment market recovery needs to be sustained in order to match the wages movement. Pension fund investment managers still cannot sleep easy at nights.

But the pensions industry has other problems looming on the

	1 year	2 years	3 years	4 years
	%	%	%	%
Retail Price Index	17.7	15.3	19.1	18.5
National Average Earnings	10.0	13.5	17.5	17.1
Equities	25.7	25.9	24.2	5.8
Property	11.4	13.1	5.8	5.4
Fixed Interest	20.6	19.7	17.7	11.4
Mixed Funds	21.6	23.0	20.7	9.8

Source: Harris-Graham and Partners.

The pensions industry has made a spirited defence of its role to the Wilson Committee, pointing out that it was not the job of the investment manager to attempt to create a demand for capital investment. The view is that it is the responsibility of the Government to create a climate which made it profitable for industry to invest. There was no shortage of funds available for investment on the right terms.

Finally, if the future trend is towards collective investment managers are likely to operate in future to have to operate under some restraints irrespective of which party gets power at the next election. The Occupational Pensions Board at

Social Security and Pensions Act 1975 There are only 66 days left!

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Tuesday September 6 1977

Living up to the Summit

ONE OF THE achievements of the Downing Street summit last May was a commitment by those countries with the stronger economies—the U.S., West Germany and Japan—to relatively high growth rates and, more particularly, to take further measures in the course of this year if it appeared that the targets were not being met. The Americans especially were pleased with this monitoring arrangement, no doubt partly on the grounds that their own economic growth did not then seem in question. So, too, was Mr. James Callaghan, though on the rather different grounds that if economic growth faltered, any call for world reflation could be backed by reference to the Downing Street pledge.

Reflation

It was clear even at the time that the German commitment to a growth rate of nearly 5 per cent. was, to say the least, questionable. Some of the German economic institutes had already doubted whether even 4 per cent. was on. By now the Government has lowered its sights to around that level, and some non-official forecasts have fallen still lower. There has also been some shortfall in Japan—on a commitment to Downing Street to 6.7 per cent. to a more likely achievement of a little over 5 per cent. More recently, there have even been doubts about the U.S. The U.S. index of leading indicators, which has generally provided a reliable early warning system, fell in July for the third consecutive month. Although growth of 5.6 per cent. for the year as a whole should be attainable thanks to a strong first half, there must now be a question mark over the U.S. prospects for 1978.

It is incorrect to say, however, as Mr. Callaghan suggested in Scotland last Friday, that the subsequent performance of the stronger economies means that the Downing Street summit did not succeed. On the contrary, there is every reason to believe that the Germans and the Japanese take their growth commitments quite as seriously as Mr. Callaghan. Chancellor Schmidt, for example, cannot look forward to yet another

winter where German unemployment rises above the 1m. level. Nor does he require external pressures to persuade him to try to do something about it. All the signs are indeed that the German Government will reveal its reflation package around the middle of this month: the argument over the past few weeks has been only about what it should contain. It is much the same in Japan. The authorities have been talking about reflation all summer long. Some measures, including the cut in bank rate at the week-end, have already been taken, and a fuller package, concentrating on boosting the construction industry, is expected to be announced to-day. Both the Japanese and the Germans, besides, have allowed their currencies to appreciate, sometimes against their own better judgment.

Co-operation

How far these measures can be attributed to the undertakings given at Downing Street and how far they would have had to be taken in any case, of course, a moot point. But they do at least suggest that the habit of co-operation is growing. What matters now is that it should become a continuous process, and here it was one of the merits of the Downing Street agreement that it provided for some follow-up. The first post-Downing Street consultations took place at the OECD Ministerial session in June, but that was a bit early to seek new conclusions. A more important post-mortem is likely to come when high officials of the economic summit countries meet in Washington on the fringe of the annual IMF meeting later this month. That will be the time to exchange assessments of the performance since May, to discuss whether further measures are needed, and to look ahead to the future. In particular, officials might ask themselves whether their economic growth targets ought not to be more long term. In the meantime, there is nothing to be gained by recriminations of the "Germany should do more" variety. Mr. Callaghan might remember that when he goes to Bonn this week-end,

World trade and the U.K.

THE NEW SERIES of export sales, this measure ignores the import ratios for the U.K. extent to which imports of the which are set out in this month's Economic Trends and are now to be published regularly are a considerable statistical feat, and one which has implications for policy which are far from unimportant. For all the talk of import penetration and hesitant competitiveness in export markets—matters which are clearly of major significance for U.K. industry and employment, and which will become of major significance for the balance of foreign payments once again when the flow of oil from the North Sea begins to tail off—information on the subject has until now been surprisingly slight. It has become available only several years ago, the event and the categories of industry to which it has been referred have been too broad to be of much practical value.

Even the new series, which are more up-to-date and detailed, involve such wide assumptions and so much estimation that the compilers modestly conclude that "the ratios are of rather limited use." They can be used to watch the progress of a particular industry over the years (provided that there are no major changes in the amount of re-exports) but they are of questionable use for making inter-industry comparisons. They are being published now, rather than after the introduction of further statistical refinements, because of their practical importance.

Winners and losers

There are four ratios compiled, two referring to imports and two to exports. The simple ratio of imports to home demand is that most commonly used to illustrate the degree of import penetration. Since international specialisation often implies a high level of both exports and imports, the ratio preferred here is that of imports to the sum of home demand and exports. Similarly, although export success or failure is commonly measured by the ratio of exports to total



Mr. Gerry Fitt: "Our fall-back... may be to stand aside and hand over to the men of violence"; Monsignor Tomas O. Flaich, new Primate of All Ireland, who is nationalistic; Mr. Jack Lynch, as the Republic's new Premier, the "man in the middle"; and Mr. Eddie McAteer, Planning the reincarnation of the Nationalist Party.

Mr. Fitt flexes his muscles

By GILES MERRITT, Dublin Correspondent

IT WOULD be interesting to catch a quick glimpse of the political memorandum which Mr. Roy Mason, the Northern Ireland Secretary, has been receiving while on holiday in the past few days from his senior civil servants at Stormont Castle. For the politics of the Catholic minority have begun to move fast and furiously towards a potentially dangerous nationalism. During 18 months Ulster's affairs have been pushed far down the British Government's list of priorities, but now it looks as if the Province is moving up the agenda. Mr. Mason, unlike his predecessor Mr. Merlyn Rees, makes a point of not reacting openly to Ulster's vagaries so it will be instructive to see how he responds to the dissatisfaction of the mainly Catholic Social Democratic and Labour Party.

Keeping Northern Ireland out of the headlines is one of Mr. Mason's primary responsibilities. From his and Mr. Callaghan's point of view successive British governments since 1968 have tried hard to engineer an Ulster solution and failed. The next best thing to solving the intractable problem, they have reasoned, is humane and constructive administration of the Province's affairs, in which economic management combined with damping down the security crisis would slowly take the heat out of Ulster. In Whitehall there are senior officials who have been advising that the present troubles will have run their course by next year or by 1979, and then the ten-year eruption of violence will relapse into stalemata.

That is a possibility, of course, for in Northern Ireland almost anything is possible. But at present it looks as if the strategy of direct rule is in trouble. It also looks as if the political assumptions of the past seven years—that an internal Six-County solution is feasible—are open to question. Since its

foundation in 1970 as a pro-power sharing party representing moderate Catholic opinion, the SDLP has been a remarkable stable factor in Ulster's shifting political scene. As the Unionist parties split and coalesced like busy amoeba the SDLP remained while and patiently negotiated for power-sharing. Now, "tired of hanging its head against a brick wall," as one prominent SDLP man recently put it, the party is swinging away from power-sharing. It is instead talking seriously of embracing an "Irish dimension," in which a constitutional settlement would be made in a 32-county all-Ireland context. An Irish dimension does not mean re-negotiation, but it does presuppose a degree of federalisation which would be totally unacceptable to the Protestants.

The SDLP's Executive has still formally to ratify the new Irish dimension policy, but it seems very much on the cards. Apart from anything else, the change in the SDLP rank-and-file's mood is symptomatic of nationalist trends which have been quietly making themselves felt throughout Ireland, on both sides of the border, all summer.

The SDLP quite legitimately looks to Flanna Fail as an ally that is almost bound to support its ambitions. The Dublin Government's security responsibilities must make it extra-curious over any move that could be construed by Republicans as anti-British.

In short, the Flanna Fail's own irritation, the Party's return to office has introduced a new uncertainty into the Ulster question and in some Republican or Nationalist quarters is being used as a clarion call to action. In retrospect, it was inevitable because the defeated Fine Gael-Labour Coalition Government's policy was that Northern Ireland is a British matter, while Flanna Fail's basic approach is that it is at very least an Anglo-Irish one. The new mood is also likely to be underlined by the recent Papal appointment of Monsignor Tomas O. Flaich, a

SDLP who have genuinely had enough of power-sharing and those who believe that the threat of dropping power-sharing will hurt Britain into making it a live issue once more. The SDLP's Leader and sole spokesman, Mr. Gerry Fitt, appears to belong to the latter camp. His week-end remarks after the Party's central committee meeting in Dunganon, to the effect that the frustration of the SDLP's Northern Ireland, the effect of these developments has been enough to rekindle outright nationalism. In Londonderry, the moribund and discredited Nationalist Party headed by Mr. Eddie McAteer has announced that it is planning its own re-incarnation. The as yet unnamed "Green" party is hoping that it can cash in on dissatisfaction with direct rule, and Britain's failure to insist on power-sharing, to become a respectable party of re-unification.

The feeling that more and more Catholic moderates are being pushed towards the idea of Irish reunification is also a major force behind the SDLP's tactics. While the SDLP's downgrading of power-sharing should not be confused with support for reunification—the Irish dimension in fact harks back to the proposal at the Sunningdale Conference of a Council of Ireland—a number of SDLP leaders now insist that bringing Dublin into any solution is the only way to prevent discontented SDLP supporters from throwing in their lot with McAteer's Nationalists or even the Provisional IRA.

The SDLP is at present in a state of turmoil and with the party frantically insisting that its internal struggles are private matters, much of what is really happening must be speculation. It seems evident, though, that while Mr. Paddy Devlin and Mr. Ivan Cooper have split with their colleagues in the leadership over the Irish dimension policy, there is also a marked division between those in the

Unlock the impasse

Mr. Fitt was the late Lord Faulkner's deputy at the head of the short-lived 1974 Power-Sharing Executive which militant Protestants destroyed, and he would almost certainly welcome renewed British determination to institutionalise power-sharing. But many of his Party believe it has become a hopeless ambition and would rather throw the SDLP's weight behind an Irish dimension policy that would introduce the Irish Republic as a key element and so unlock the Ulster impasse. When Mr. Callaghan and Mr.

Clarion call to action

Assuming that Mr. Lynch will be required to get down to straight talking at both meetings, he will face a tricky job if he is to satisfy both sides. Mr. Lynch, when in opposition, criticised British direct rule in Ulster as "a non-policy of drift." But if he champions the SDLP's new emphasis on an Irish dimension he risks damaging Anglo-Irish relations. There is also a sense in which Mr. Lynch must hunt with hounds and run with the hare, for while the SDLP quite legitimately looks to Flanna Fail as an ally that is almost bound to support its ambitions, the Dublin Government's security responsibilities must make it extra-curious over any move that could be construed by Republicans as anti-British. In short, the Flanna Fail's own irritation, the Party's return to office has introduced a new uncertainty into the Ulster question and in some Republican or Nationalist quarters is being used as a clarion call to action. In retrospect, it was inevitable because the defeated Fine Gael-Labour Coalition Government's policy was that Northern Ireland is a British matter, while Flanna Fail's basic approach is that it is at very least an Anglo-Irish one. The new mood is also likely to be underlined by the recent Papal appointment of Monsignor Tomas O. Flaich, a

MEN AND MATTERS

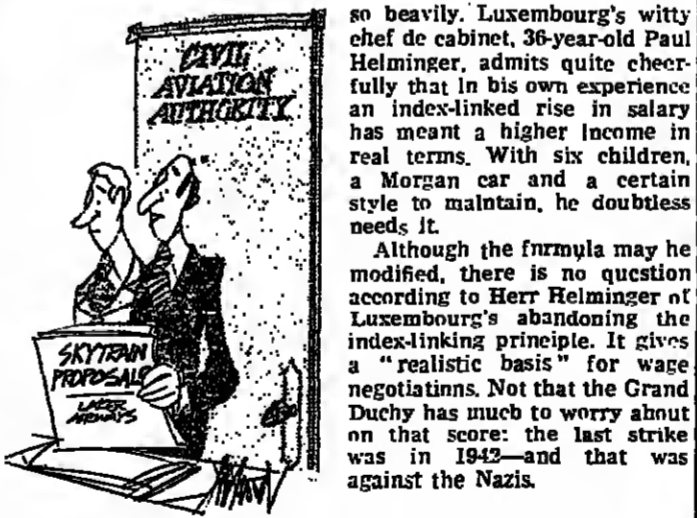
Changing ways in Oxford Street

A further shot in the war against fringe operators in the bureau de change business was fired yesterday. Barclays have opened their first London bureau, which instead of keeping normal banking hours will be open from eight in the morning until ten at night, six days a week. Logically enough, the bureau is in that part of Oxford Street where the tourists are thickest, only a brief struggle along the pavement from Marks and Spencer and Selfridges.

The window is markedly unlike the decorous facade of the Barclays we are accustomed to: miniature blackboards have scrawled upon them in chalk the going rates for 14 leading currencies. John de Lannoy, accountant in charge of the bureau, says they will be replaced soon by the usual display board with plastic figures. He seemed rather sad about it, believing that the chalked prices give a sense of excitement and attract passers-by. Certainly, the customers were queuing up at the counter.

Barclays plan to open other bureaux soon; they have sites in mind around the West End. Clearly, the bureaux will be good business. Barclays say there is plenty of room in the field for the other clearing banks to follow suit. They accept that most of the 150 bureaux now operating in London are respectable enough, although rates and commission can be pretty flexible—but some are suspect. One Barclays spokesman even talked graphically of "mushrooming bucket shops."

Over at the Bank of England, which authorises bureaux de change to buy, sell and hold foreign currencies, its spokesman was far less ray in his turn of phrase. True, there be a few fringe opera-



"How do we explain to Mr. Laker that all airlines are equal but some are more equal than others?"

you could be thrown on your back. Woo was teaching the martial arts all over Norwich. Such was his popularity that clubs were founded in the city's community centres. Woo has now gone back home, but the memory lingers on. Norwich even has a Korean takeaway restaurant.

Spudding out

Last year's potato famine has caused some soul-searching over in the Duchy of Luxembourg about index-linked wages. Potato prices were the main impetus for three quick increases—putting up the national wage bill by Frs.Lux.10bn. (about £161m.); that was somewhat heavy for a country with only 360,000 people, especially since those sought-after spuds only added a mere Frs.Lux.150m. to the national food bill. So the little Grand Duchy's coalition Government is thinking about putting more goods in the basket in which the index is based. Then one element, such as those potatoes, will not weigh

FACTORIES AND WAREHOUSES

King & Co

Chartered Surveyors
1 Snow Hill, London, EC4A 3DL
01-248 3000 Telex: 835-485
Also in Manchester, Leeds and Brussels

In Treasury language

Handwritten signature: "John de Lannoy"

Observer

HOME NEWS

Government urged to slow Sea oil plan for 20 years

DAFTER ENERGY CORRESPONDENT... GOVERNMENT has been urged to slow down its plan to develop the North Sea oil fields for 20 years...

There should be a firm commitment to a steady programme of nuclear installation... Greater emphasis should be laid on conservation research and development...

Council plan is 'madness'

AN ECONOMIC plan prepared for Strathclyde Regional Council is 'madness', a Scottish National Party leader claimed yesterday... Mr. Gordon Murray, leader of the SNP group in the council, said the plan would create an economic and social wilderness...

FINANCIAL TIMES BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4AP 4BT. Includes contact information for editorial, international and British offices, and advertisement offices.

Leader of Communist Party dies

IN GOLLAN, former Secretary of the Communist Party in London, died yesterday, aged 86... Mr. Gollan was general secretary of the Party from 1956 to 1973...

Insurance groups attack plan for government controls

PROPOSALS that the investment of insurance funds should be subject to Government direction were attacked yesterday by the British Insurance Association and the three life associations... The proposals to be put before the Labour Party's annual conference are rejected by the associations...

Fare concessions for elderly expected to cost £76m.

THE TOTAL cost to local authorities in England and Wales of bus fare concessions for the elderly, blind and disabled is expected to amount to £76m for the last financial year...

£50,000 scheme to beat bus and train cheats

LONDON TRANSPORT is introducing a £50,000 identity card scheme for some season ticket holders to cut down on fraudulent travel... The scheme will cover red bus passes, monthly and annual Go-As-You-Please tickets...

Relations 'threatened'

COMMISSIONER of the Race Relations Board has expressed serious concern that the 1976 Race Relations Act is being undermined by government ministers acting in a spirit of division...

Table for PENTLAND INDUSTRIES LIMITED showing financial data for six months ended 30.6.77 and 30.6.78. Includes turnover, profit, and dividend information.

Table for COSSFRIARS TRUST LIMITED showing financial data for 1977 and 1976. Includes turnover, profit, and dividend information.

Courts (Furniture) Limited advertisement. Over 100 stores worldwide. Includes turnover and profit figures.

Minister's U.S. investment bid. By Ray Perman, Scottish Correspondent. MR. RUCIE MILLAN, Secretary of State for Scotland, is to visit New York, Chicago and Cleveland next week to try to encourage U.S. investment in Scotland...

Cross-Channel fares reduced. CROSS-CHANNEL fares for cars were reduced on Townsend Thoresen routes yesterday with the introduction of the company's autumn tariff...

Shop campaign. SWFOLK is trying to attract shoppers from as far away as France, Sweden and Germany. Pamphlets in six languages are being distributed to show visitors where the main shops are in Ipswich...

Moran Bros., Inc. Common Stock. 480,000 Shares. Includes list of financial institutions and a logo.

Manufacturers Hanover Corporation Common Stock. 2,750,000 Shares. (\$7.50 Par Value). Includes list of financial institutions and a logo.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Rey sells Bally stake to Oerlikon-Bührle

BY JOHN WICKS

AFTER weeks of speculation as to the future of the controlling interest in C. F. Bally AG, vice-president Werner K. Rey has now agreed to sell his stake in the Swiss shoe concern...

Rey's decision to sell his stake in C. F. Bally AG, vice-president Werner K. Rey has now agreed to sell his stake in the Swiss shoe concern...

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Earnings rise at Alfa-Laval

By William Dullforce

STOCKHOLM, Sept. 5.

IN SPITE of falling margins occasioned by tougher competition and heavy cost increases in Sweden, Alfa-Laval, the dairy and farm equipment and industrial separator group, shows improved first-half earnings of Kr.140m. (€18.5m.) against Kr.130m. A net financial income of Kr.19m. against a loss of Kr.14m. in the first six months of 1977, accounts for the profit growth, which belies the management's previous forecast of a decline in earnings this year.

FRENCH FERTILISER INDUSTRY

Gardinier in Dutch deal

BY DAVID CURRY

PARIS, Sept. 5.

THE FAMILY-DOMINATED concern Gardinier has put a spoke in the French Government's plans to restructure the privately-owned part of the country's fertiliser industry by agreeing principle to the takeover of its French interests by the Dutch State Mines' Group company Unie van Kunststof-Fabrieken (UNK).

has recently married its fertiliser interests with those of the Enterprise Minière et Chimique (EMC) concern which is also state-owned to create an enterprise with a Frs.1.6bn. a year turnover. The traditional link between EMC and Gardinier within an economic interest group covering the manufacture and distribution of certain products and the problem the loss of this network would pose for CDF-EMC are seen as pointing to some alternative solution to the Dutch takeover by assimilating Gardinier to the new state-owned grouping.

Chairman quits KSH: restructure planned

By Michael van Os

AMSTERDAM, Sept. 5. DR. WIEL HOEFNAGEL, chairman of the troubled Dutch starch products and food manufacturer Koninklijke Starch Holding (KSH) has resigned, with immediate effect, in anticipation of a far-reaching reorganisation of the company's activities, which considerable State aid will be forthcoming.

GERMAN NEWS

Mannesmann sales declining

BY GUY HAWTHIN

FRANKFURT, Sept. 5.

MANNESMANN, the West German steel tube, machine tool and industrial plant construction group, has confirmed that the decline in sales noted in the first quarter has continued throughout the first half. So far there appears to be little to give scope to encouraging sales made by the group after announcement of figures for the first three months of the year.

Group external turnover for the opening six months of 1977 totalled DM4,938m. (€1,236m.), some 7 per cent. down on the DM5,368m. reported for the same period of last year. Furthermore, it should be remembered that the group's DM1,178m. (€292m.) turnover in 1976 was some 10 per cent. below that of 1975.

Manufacturing sector. Delivery levels had fallen and earnings in the sector had been under pressure. RUETGERSWERKE, the Frankfurt-based chemicals concern, has told its shareholders that orders showed an improvement in the first half of the current year. By the mid-year mark, the order book and the utilisation of production capacity were up on the levels prevailing in the first half of 1976.

Midland International Financial Services B.V. (Incorporated with limited liability in the Netherlands) 8 3/4% Guaranteed Bonds 1992. Guaranteed on a subordinated basis as to payment of principal, premium (if any) and interest by Midland Bank Limited.

EUROBONDS

Argentina on sidelines with DM100m. issue

BY MARY CAMPBELL

THE DOLLAR sector of the market was very quiet yesterday, dealers reported a characteristic which also applied to first-time dealings in the Australian issue. The undertone continued firm, however.

to comprise a DM300m. public issue and a DM100m. private placement. This World Bank issue would be in addition to the DM110m. plus of issues on the German market's regular calendar of foreign bond issues for September.

Mitsui & Co. (U.S.A.), Inc. \$50,000,000. \$20,000,000 8 1/2% Guaranteed Senior Notes Due 1984. \$10,000,000 8 3/4% Guaranteed Senior Notes Due 1987. \$20,000,000 8 3/4% Guaranteed Senior Notes Due 1992. Unconditionally guaranteed by Mitsui & Co., Ltd. Goldman, Sachs & Co. Nomura Securities International, Inc.

MONSANTO COMPANY AND SUBSIDIARIES

Statement of Consolidated Income (Dollars in millions, except per share) Table with columns for Three Months Ended June 30, 1977 and 1976, and Six Months Ended June 30, 1977 and 1976. Rows include Net Sales, Cost of Goods Sold, Operating Income, etc.

H17 INTERNATIONAL GROWTH FUND

Headoffice: Luxembourg, 37, rue Notre-Dame. Notice of Meeting. Misses Shareholders are hereby convened to attend the General Meeting of the company which is going to be held on Wednesday 14th September, 1977 at 9.00 a.m. at 43, boulevard Royal, Luxembourg with the following agenda:

Tandberg's losses mount

BY FAY GJETER

OSLO, Sept. 5.

TANDBERG, Norway's troubled electronics concern, made a share announcement yesterday which revealed a 7.5 per cent. loss in the first six months of 1977. The figure, which compares with a loss of Kr.33.1m. on operations in January-December last year, was revealed at a Press conference here by Tandberg's new managing director, 52-year-old Svein Erik Serlie.

continued to deteriorate. Tandberg shares were suspended on the Oslo Stock Exchange about a fortnight ago. Two factories in Oslo are to be sold early next year, and nearly a third of the firm's 3,000 employees have been laid off. Despite this apparent desperate situation, Serlie said he was optimistic about the company's future. He forecast a deficit for 1977 as a whole over the last year, but said sales of electronic consumer goods normally rise in the second half of the year.

BRAZILIAN INVESTMENTS S.A. Net Asset Value per Depository Share as at 31st August 1977 U.S.\$99.95

August 11, 1977

INTERNATIONAL FINANCIAL COMPANY NEWS

NEWS FROM INDIA

Air India spends \$650m. on wide-bodied aircraft

Mr. K. K. SHARMA, Minister for Civil Aviation, announced that the Government had approved the purchase of another seven wide-bodied aircraft at a cost of over \$650m...

Minister blames Coca-Cola

AN MINISTER OF INDIA, Mr. K. K. Sharma, said today that the Coca-Cola Company is being run out of India...

Companies face prosecution

AS MANY AS 92 Indian companies face prosecution for making donations to political parties...

KAB's workforce cut back

THE STATE-OWNED Rodange-Athus steel industry is planning a major cut in employment at its plants in Luxembourg...

DAF Trucks profit forecast

DAF TRUCKS, the Dutch lorry manufacturer, expects double profits this year to £2.20-2.25m...

8% lift at Isuzu Motors forecast

ISUZU MOTORS, which General Motors has a 42.2 per cent interest, has increased its profit forecast for the current financial year...

Dividend increase from McPhersons

McPHERSON'S major engineering group and metal merchants has lifted dividend following a 15 per cent share gain...

PIA's record profitability

PAKISTAN International Airlines reports record profits for 1976-77 and expects to reach a further 1,000 million rupees in the current 12 months...

AUSTRALIAN NEWS

A strong recovery at APPM

BY JAMES FORTH

ASSOCIATED PULP and Paper Mills made a strong recovery in 1976-77, boosting earnings from \$2.5m to \$3.6m...

Takeover boost for Adelaide Steamship

ADELAIDE STEAMSHIP one of the most aggressive takeover specialists over the past 12 months, boosted profit 67 per cent...

Rescue plan for Rodange-Athus

BY GUY DE JONQUIERES IN BRUSSELS

THE GOVERNMENTS of Belgium and Luxembourg have reached an agreement on a plan to deal with the crisis at the Rodange-Athus Steelworks...

SYDNEY, Sept. 5

Adelaide Steamships made extra-ordinary profits in 1976-77 of \$3.6m, up from \$2.5m...

Tax hits Mayne Nickless

MAYNE NICKLESS, major transport and security group, lifted revenue 16.5 per cent...

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The directors said that the Adelaide Steamship was not in a very strong liquidity position...

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(HOLDINGS) LIMITED

INTERIM STATEMENT

The Directors announce the following unaudited results of the Company and its subsidiaries for the six months to 30th June, 1977 compared with those of the corresponding periods.

Table with 4 columns: Period, £'000, £'000, £'000, £'000. Rows include Turnover, Profit before taxation, Profit after taxation, Profit attributable to the Holding Company.

NOTES

The exceptional item of £100,000 was a discretionary payment to the Group Pension Fund in 1976.

A prior year adjustment of £98,000 has been made to the reserves at 31st December, 1976 in accordance with the Statement of Standard Accounting Practice No. 6.

"Although the economic conditions remain difficult, I am pleased to report that our policy of using our expertise to tackle the more specialised markets in the UK and overseas has enabled us to continue to make progress. I now report a record level of profit before taxation of £1,164,000 for the six months to 30th June, 1977.

The outlook remains difficult to predict but I am confident that we can continue to expand by utilising our resources efficiently to grasp any profitable opportunities arising throughout the world.

The Directors declare an interim dividend of 1.64 pence per share (1976 - 1.47 pence) for the year, ending 31st December, 1977. This dividend will be paid on 18th November to members registered in the books of the Company at the close of business on 4th October, 1977."

EX. G. CAMERON, Chairman

September, 1977

MANUFACTURERS OF SPECIALISED SURFACE COATINGS... WORLDWIDE CORROSION ENGINEERS AND CONTRACTORS.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

Table listing bond prices for various countries and currencies, including Australia, Canada, France, Germany, Italy, Japan, etc.

NOTES

Table listing notes for various countries and currencies, including Australia, Canada, France, Germany, Italy, Japan, etc.

FLOATING RATE NOTES

Table listing floating rate notes for various countries and currencies, including Australia, Canada, France, Germany, Italy, Japan, etc.

CONVERTIBLES

Table listing convertible bonds for various countries and currencies, including Australia, Canada, France, Germany, Italy, Japan, etc.

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SHAKESPEARE advertisement with text: 'The Group is engaged in the manufacture of... precise flame cuttings and components for the...'

Axco Industries, Inc. advertisement with text: 'Société Nationale Elf Aquitaine has acquired M&T Chemicals Inc. a subsidiary of American Can Company. MORGAN STANLEY & CO. August 31, 1977.'

Vertical text on the left margin, including 'Squid' and 'Editorial'.

Entertainment Guide

These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET
LONDON OPERA HOUSE
ROYAL OPERA HOUSE

THEATRES
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THEATRE ROYAL

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BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

£7,000 p.a. TAX FREE just for being incorporated! Send for FREE copy of 'Dissecting the Corporate Image'.

Cash Voucher 75% CASH AGAINST INVOICES. Cash flow problems? Then cash this!

Finance for Growing Companies. If you are a shareholder in an established and growing company...

FOR SALE TOOLMAKING AND PRECISION ENGINEERING COMPANY. Directors of old established company in SW London...

MERCHANDISING BUYERS. You are cordially invited to Taiwan Products Display.

PENRAD LIMITED - GARDIFF. For Sale, automated plant of well known domestic radiator manufacturers...

We wish to acquire. A medium sized quoted or private company at present earning profits in the range of £250,000 to £500,000 per annum...

FOR SALE WELL ESTABLISHED ELECTRIC MOTOR MANUFACTURER. Private company specialising in the manufacture of a range of FHP motors...

ENERGY RELATED ASSETS. Direct offering by an International Corp. for any or all of the following U.S. assets:

INDUSTRIAL ELECTRICAL PRODUCTS. MTE Limited, the leading U.K. Control Gear Manufacturer, is seeking new products to market and/or manufacture...

PATENTED FOOD WASTE DISPOSAL UNIT FOR SALE. Including all manufacturing know-how, prototype models, etc. This is due to rationalisation of Company resources...

FOR SALE SOUTH WEST FRANCE. Company operating for many years manufacturing mechanical parts. Good prospects for the future. Important assets.

LONDON TAXI BUSINESS. FREEHOLD DEPOT, WORKSHOP AND STORES APPROX. 7,000 SQ. FT. NEAR KINGS CROSS.

WAREHOUSING and DISTRIBUTION. Private Company in the field of Warehousing and Distribution is interested in expansion by the purchase of or association with a similar concern...

UNIQUE OPPORTUNITY FOR SALE OR MERGER. Company engaged in the import and distribution of products allied to the D.I.Y. and Home Improvement Market.

COs. WITH ASSETS/OPERATIONS IN INDIA. We are in a position to solve any problems that you may have concerning the indemnification of your company...

INVESTMENT OPPORTUNITY. Chartered Accountant successful investor invites others to participate financially and benefit from secure and rewarding propositions...

EXPORT COMPANY WANTED and/or PRODUCTS WANTED FOR EXPORT. Do you have to sell your Export Company and/or do you have a product you would like to export?

STANDARD SHIP DESIGNS. A new, low cost shipping design service offering 40 designs with 1000 sq. ft. cargo deck for 9,500-15,000 G.R.T. offered by 48 shippers with 1000 sq. ft. cargo deck...

UK ELECTRONICS MANUFACTURING FACILITY. A medium size U.K. manufacturer of complex electronic micro-processors, controlled, digital and analogue systems...

PLANT LEASING. Chartered Accountant has available plant, with associated land suitable for purchase and machinery/equipment with a view to leasing...

ELECTRONICS. Medium-sized U.K. Distributors, with considerable potential, for sale. Principals only please.

MINI-COMPUTER FOR SALE. Wang 2200S, 8K words, Dual Cassette Storage 176K each side, Local Area Network Printer, All units under 10 years old...

TELEX SHARING. 20 teleprinters mean clear lines, pending and receiving. Personal attention 9 a.m. - 9 p.m., thereafter answerphone.

IBM ELECTRIC TYPEWRITERS. Factory recommended and guaranteed by IBM. Save up to 40% on Lease or Buy. Lease from £29 per month.

CAPITAL REQUIRED WITH POTENTIALLY HIGH RETURN. Our clients require £250,000 to invest in a nationwide market for public and private companies.

EDUCATION SERVICE BUSINESS. Profitable, steady held 7-year-old corporation operating in America and Switzerland with capital requirements of up to one million dollars for primary purpose of offering present short-term financing to long-term assets.

MANUFACTURERS' AGENTS ESSEX. Handle with you offices in 11 miles north of London, easy access to M1, M2, A1, Central Line (Uxbridge) and London Underground. Correctly able companies. Correctly able companies.

FOR SALE Hardware/Tableware Importers and Distributors. Long established private company with extensive trade connections contemplating outright disposal. London based.

GET RICH QUICKER Better buying is the secret! Small investment in the collection, identification, purchase, sale, etc. of high quality, high priced, collectible items for business or leisure.

INTERNATIONAL ORGANIZATION OF BROKERS. Property, Investment, Money. Finders, Accepting members in U.K. and EEC.

SMALL ENGINEERING COMPANY REQUIRED. Ex-Man. qualified Engineer 2 and commercial, seeks to take control of and manage an established company with profits and potential. Suitable capital available. Preferred and suitable technical instruments, electronic, electrical, mechanical, etc.

FISH FARMING LEASEHOLD OPPORTUNITY. A rare opportunity occurs to purchase the freehold of a modern intensive fish farm in Southern England. Management and marketing arrangements available.

COUNTRY STOCKBROKERS. Attaches with institutional contacts would like to hear from country Stockbrokers with London Offices looking for business offers.

INDIAN BUSINESSES. Under recent Indian registration foreign companies have to 'Indianize' partly, we have strong interest in such companies to be incorporated in purchasing British companies with Indian assets.

LARGE FIRM OF ELECTRICAL WHOLESALERS. are interested in acquiring businesses in the wholesale hardware and electrical fields. Excellent back-up facilities and finance available. Subject to present management willing to continue.

ART GALLERIES. UNITED SOCIETY OF ARTISTS AND THE MALL GALLERY. The Mall Gallery, The Mall, London, W.1. Tel: 01-477 1111.

INSURANCE BROKERS. Public Company interested in acquiring established insurance broking business of some substance. Lloyds Brokers preferred. All replies will be handled in strict confidence. Impassable references given and expected.

FOR SALE 1600 sq. ft. BUILDING FOR SALE. Prefabricated single-story office building, by leading British manufacturer, available for immediate delivery or by part of U.K. Will tell cheaply owing to frustrated order of £2,250 including erection but exclusive of transport.

CLUBS. UNITED SOCIETY OF ARTISTS AND THE MALL GALLERY. The Mall Gallery, The Mall, London, W.1. Tel: 01-477 1111.

AUDIO VISUAL COMPANY. An international company is seeking to acquire an Audio Visual Company specialising in equipment hire and hire to complements their existing operations. Preferably situated in South East England.

FOR SALE GOLD MINE. eight million cubic yards of rich placer gravel in Canada. Write Box F.583, Financial Times, 10, Cannon Street, EC4P 4PY.

OVERSEAS MARKETS

Milan forward sales curb abolished

Sterling easier

BY OUR OWN CORRESPONDENT

LOWER LEVELS developed on the Stock Market here today following abolition from today of restrictions on the Forward sale of shares.

The restrictions, introduced in April 1974 in the face of a sharp fall in share prices, involved a 90 per cent deposit in cash, or a share in all forward share sales.

Abolition of the deposit requirement from today was announced by the Stock Exchange.

All U.S. and Canadian markets were closed yesterday for Labor Day.

on Friday by the Bourse Commission (consolidated).

Source sources said the market is seeking new levels after the lifting of the deposit requirement, which brings faster flexibility to trading.

The market closed widely lower in active trading after some profit-taking at the opening.

Flat and Pirelli, however, each showed slight gains among other blue-chip industrial shares.

Mediobanca steadiest in Banks, IRI Privileged firm in mixed Financials while Insurances were depressed.

Bonds were fairly steady in quieter trading.

PARIS—The market was mixed in quiet trading in the absence of special factors.

Banks and portfolio companies were easier on the whole, while other sectors showed no clear trend.

U.S. stocks followed last week's Wall Street higher trend. Foreign Oil and Gold also were firm.

Elsewhere RVA, Oerlikon, Bally and Insurances were firm.

Shipings, however, were mostly lower.

State Loans were easier.

YRUSSE—Local shares fell in active trading.

FN, Financiere and Sino each rose but Elettra, Vieille Montagne, Cofir, Sino, St. Roch and Arbed all gave ground.

ACEC shares fell after workers started to strike.

In Foreign stocks, U.K. issues were firm. Dutch shares were little changed. German irregular, U.S. prices were higher, while French issues were little changed or lower.

Gold Mines were better.

German shares higher

Shares rose on German Stock Markets yesterday, reflecting both investor and speculative buying.

Brussels, however, was mixed. In the Foreign sector, Dollar stocks edged higher, while Dutch stocks were mixed.

Elsewhere, Compaq, Franca Argentina rose on active demand.

OSLO—Industrials, Insurances mixed, with Banks firmer on

Manesmann, however, shed DM05 to DM13.55 on lower first-half 1977 earnings.

Public Bonds firmed in some cases by DM0.91. The Regulatory Authorities sold DM3.5m. nominal of stock. Foreign Mark Loans also tended firmer.

SWITZERLAND—Stock prices closed slightly higher.

Bally and Oerlikon share were each heavily traded following news of Buehrli's planned takeover of Bally.

Bally Bearer closed at Frs.1,550 after opening at Frs.1,500 compared with Friday's closing of Frs.1,480.

Its Registered rose to its high of the day Frs.1,400, compared with an opening of Frs.1,320 on Friday.

Oerlikon-Buehrli Bearer posted a small gain while its Registered stock closed actively higher.

Insurances were little changed, apart from Berner National.

Stores gained ground, led by Globus. Chemicals moved within narrow limits.

Nestle firmed eightly in Foods. Among Metals and Engineering, Alusuisse Bearer and Sulzer Registered each firmed.

Swissair put on Frs.4 to Frs.7.90 near its year's high.

In the Foreign sector, Dollar stocks edged higher, while Dutch stocks were mixed.

Elsewhere, Compaq, Franca Argentina rose on active demand.

OSLO—Industrials, Insurances mixed, with Banks firmer on

and Bankings were firmer, while Shippings were quiet.

COPENHAGEN—Mixed and quiet.

VIENNA—The market remained quietly steady.

HONG KONG—The market closed easier after a firm opening in moderately active trading.

Butcher's Hong Kong Dock, which resumed trading following publication of terms for their merger after a four-week suspension, were actively traded.

Enrichson closed SHK\$3.75 compared with its pre-suspension price of SHK\$2.75, while H.K. Dock fell to SHK\$1.20 from SHK\$1.30.

Elsewhere, Hong Kong Bank rose 10 cents to SHK\$15.10, but Jardines and Swire Pacific shed 10 cents each to SHK\$3.00 and SHK\$5.50 respectively.

Whitbread, Borden dropped SHK\$3.30 to \$3.75.

TOKYO—Share prices rose sharply to the highest level since January, 1973, following the re-ratification package announced on Saturday and the cut in the Bank of Japan's official discount rate.

The Stock Market average rose to 3,237.85, while the trading volume was 290m. shares.

Constructions, Civil Engineering, Housing, Cement and other shares related to Government speeding on Public Works advanced.

JOHANNESBURG—Markets closed yesterday for Settlers Day.

AUSTRALIA—Markets were mixed, with Banks firmer on

MILAN, Sept. 5

hopes of lower interest rates.

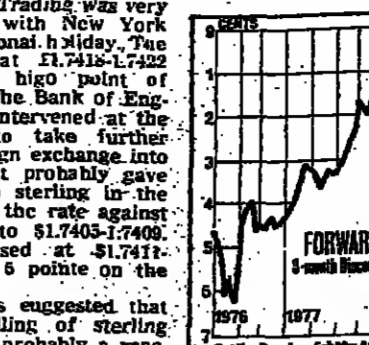
Despite anti-uranium statements and demilitarisation, Fiat's share rose 10 cents to SA\$90, but other Granunium were steady or untraded, apart from Peleg which shed 2 cents to SA\$43.50.

Among Oils, Santos rose 23 cents to SA\$245 and Ampol Exploration 3 cents to SA\$103, while in Coals, AAR eased 2 cents to SA\$120, but Tharsis firmed 2 cents to SA\$242.

In Banks, Bank of NSW gained 5 cents to SA\$5, as did ANZ to SA\$3.30.

Among Sugars, CSR lost 5 cents to SA\$2.35.

London, but the metal's rise was reported to be a result of demand in New York on Friday, before the long week-end in the U.S.



FORWARD STERLING (Monthly Forward Rate for New York)

Market sources suggested that the nervous selling of sterling after lunch was probably a reaction to the start of the 1977 annual congress in Blackpool. The Bank of England's index of the pound's movement since the Washington Currency Agreement of December 1971 was unchanged throughout at 62.3 however.

Discounts against forward sterling tended to widen against the dollar in line with the spot rate, and the three Bank of England Onish at 0.67 cents discount, compared with 0.47 cents on Friday.

Most other major currencies also declined in terms of the U.S. dollar, with the German D-mark falling to DM2.3185, and the Dutch guilder to Fl.2.4540 from Fl.2.4650.

Other currencies were mixed. Business was moderately active in

GOLD MARKET

Gold Bullion in fine ounces: New York \$147.148-148.148, Opening \$147.148-148.148, Morning's \$147.25-148.25, London \$147.25-148.25, Afternoon \$147.25-148.25.

Gold Coins: Kruggerand \$151.1-153.1, 1969 \$151.1-153.1, 1970 \$151.1-153.1, 1971 \$151.1-153.1, 1972 \$151.1-153.1, 1973 \$151.1-153.1, 1974 \$151.1-153.1, 1975 \$151.1-153.1, 1976 \$151.1-153.1, 1977 \$151.1-153.1.

Gold Bars: 100g \$151.1-153.1, 200g \$151.1-153.1, 500g \$151.1-153.1, 1kg \$151.1-153.1, 2kg \$151.1-153.1, 5kg \$151.1-153.1, 10kg \$151.1-153.1, 25kg \$151.1-153.1, 50kg \$151.1-153.1, 100kg \$151.1-153.1.

Gold Mines: Anglo American \$14.5-15.5, De Beers \$14.5-15.5, Gold Fields \$14.5-15.5, Impresario \$14.5-15.5, Lonrho \$14.5-15.5, AngloGold \$14.5-15.5, Goldcorp \$14.5-15.5, Barrick Gold \$14.5-15.5, Newmont \$14.5-15.5, Placer Dome \$14.5-15.5, Kinross \$14.5-15.5, Warden \$14.5-15.5, Teck Resources \$14.5-15.5, Goldcorp \$14.5-15.5, Barrick Gold \$14.5-15.5, Newmont \$14.5-15.5, Placer Dome \$14.5-15.5, Kinross \$14.5-15.5, Warden \$14.5-15.5, Teck Resources \$14.5-15.5.

FOREIGN EXCHANGES

Sept. 5 Bank of England Market Rate

Country	Rate
American \$	1.7405-1.7405
Swiss Fr	1.7170-1.7170
French Fr	6.5595-6.5595
German DM	2.3185-2.3185
Dutch Gld	2.4540-2.4540
Japanese Yen	163.60-163.60
Italian Lira	2036.00-2036.00
Spanish Ptas	166.64-166.64
Portuguese Esc	200.48-200.48
Belgian Fr	36.36-36.36
Danish Kr	136.48-136.48
Swedish Kr	13.76-13.76
Norwegian Kr	13.76-13.76
Yugoslav Dinar	23.76-23.76
Czech Koruna	166.64-166.64
Slovak Koruna	166.64-166.64
Czechoslovak Koruna	166.64-166.64
Polish Zloty	4.00-4.00
Hungarian Forint	200.00-200.00
Romanian Lei	16.67-16.67
Bulgarian Lev	166.64-166.64
Soviet Ruble	166.64-166.64
East German Mark	166.64-166.64
West German Mark	166.64-166.64
Israeli Sheqel	3.48-3.48
Indian Rupee	47.56-47.56
Pakistani Rupee	166.64-166.64
Bangladesh Taka	166.64-166.64
Sri Lankan Rupee	166.64-166.64
Malaysian Ringgit	2.36-2.36
Singapore Dollar	1.36-1.36
Thai Baht	50.00-50.00
Philippine Peso	46.00-46.00
Indonesian Rupiah	166.64-166.64
Malayian Ringgit	2.36-2.36
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Table with financial data, including 'M-way tery' and 'Dine copra ts rise'.

Rain and frosts hit grain harvest in Canada

By Christopher Parkes. RAIN and frosts have delayed and damaged the cereal harvest in Canada...

Rubber at new peak for year

By Richard Mooney. THE RECENT upturn in rubber prices was maintained yesterday...

Experts press for two-year ban

By Robert Del Quaro, recently in Lima. FISHERIES experts are pressing the quality of the meal will be achieved parly by technical improvements...

EEC asked to cut sugar output

By Canute James. The 22-member group of Latin American and Caribbean sugar exporting countries has asked the European Economic Community...

Sharp rise in copper market

By Our Commodities Staff. THROUGH LONDON trading yesterday was dominated by copper prices...

Israel plans more fruit exports

ISRAEL EXPECTS to increase its exports of fresh agricultural produce by 18 per cent...

GHANA COCOA PURCHASES

ACCRA, Sept. 5. The Ghana Cocoa Marketing Board announced that purchases for the 1977-78 season...

SOYABEAN MEAL

Market opened underpinned and values improved until narrow range...

Lower fish oil output forecast

WASHINGTON, Sept. 5. WORLD FISH oil production this year, including fish liver oil...

Table with financial data, including 'METALS' and 'SUGAR'.

WORLD MARKET REPORTS AND PRICES

Table with market reports and prices for various commodities like metals, sugar, and wool.

SUGAR

Table with sugar market data, including London daily price and various grades.

PRICE CHANGES

Table with price changes for various commodities like metals, oil, and wool.

COFFEE

Table with coffee market data, including various grades and prices.

WOOL FUTURES

Table with wool futures market data, including various grades and prices.

JUTE

Table with jute market data, including various grades and prices.

COCOA

Table with cocoa market data, including various grades and prices.

RUBBER

Table with rubber market data, including various grades and prices.

MEAT/VEGETABLES

Table with meat and vegetable market data, including various grades and prices.

Various notices and advertisements, including 'PANY NOTICES' and 'GOURMET'.

Additional notices and advertisements at the bottom of the page.

Vertical text on the right edge of the page, possibly a page number or additional page information.

STOCK EXCHANGE REPORT

Widespread good equity gains on increased demand Share index up 12 points at 519.5 to near 5-year peak

Account Dealing Dates
 *First Declared Last Account Dealings Gains Declaring Day
 Aug. 22 Sep. 1 Sep. 2 Sep. 13
 Sep. 5 Sep. 15 Sep. 18 Sep. 27
 Sep. 19 Sep. 29 Sep. 30 Oct. 11
 *How time * dealing may take place from 9.30 a.m. on business days earlier.

Stock markets were featured yesterday at the start of a new Account with widespread and often substantial rises in virtually all equity sectors and, despite the fact that five of the constituents went ex-dividend, the FT Industrial Ordinary index rose to 519.5—only about 5 per cent. off its all-time peak of 543.3 recorded over five years ago. Yesterday's gain extended the index rise to 88 points, or over 20 per cent. In the last six weeks, and the closing level was at its highest since September 2, 1972, when the index was reacting from its peak since compilation.

The recent downward pressure on short-term interest rates led to gains ranging to 7 in British Funds all though business in this sector was on a lesser scale than recently with the bulk of the rises being achieved in the early trade. The Government Securities Index moved up 0.34 to 71.27 which is 0.21 off last May's 51-month high.

Yesterday's further upturn in equities was achieved in the highest Monday markings, 4,785, for four months and was taken up in the early stages by second-line issues which were catching up on the last Friday's late upsurge in the leaders; this was reflected in a rise-falls ratio in FT-quoted Industrials of 28.2 which compares with Friday's 4.3. However, leading shares came into their own again as in yesterday's Active Stocks list, and rises in the index constituents ranged to 7 and sometimes much more. Business was virtually a one-way affair with sellers hardly in evidence and the reasonably active trade took in a fair amount of demand from the institutions with shortage of stock leading to a broad list of exceptional price increases. Adverse factors such as strikes threat from the electricity workers and the dockers were largely ignored.

The FT-Actuaries three main indices all put on about 2½ per cent. with the All-share that amount up at 21.37 compared with its May 1972 all-time high of 22.18.

Longer Gilts strong
 With the emphasis in British Funds shifting to those of a medium and longer maturity, where scope for upward appreciation is strongest, sharp advances extending to 7 were established in these areas. The extent of the gains partly reflected a shortage of stock, but demand overall was fairly good,

comprising institutional switching from the shorts into slightly longer dates along with domestic and foreign investment. The upward progress was confined to morning business, the afternoon trade being particularly quiet and hesitancy after the official close only served to encourage fresh buying interest which left quotations at the day's highest. Continuing optimism that the Government's 12-month pay rule would be supported at this week's FT conference, coupled with inter-rate fluctuations, although the latter achieved little reflection at the shorter end of the market which was generally over-shaded. Corporate issues often improved, taking the announcement of the combined £22.3m. Lisington new issues in their stride.

Received demand from institutions, reflecting the desire to invest in U.S. securities, together with arbitrage buying against business on Hong Kong account, drove sellers of investment currency rather scarce and the premium moved up 2½ points to 86½ per cent. Y yesterday's SE conversion factor was 0.7960 (0.8064).

Banks buoyant
 The major clearing banks experienced a continuation of last Friday's upsurge as sizeable buying took prices forward sharply. Barclays topped the Active Stocks list and finished with a gain of 18 at 318½—up a rise over the last two trading days of 38. Lloyds and Midland both advanced 13 more to 363p and 343p respectively, while Nat. West were 12 higher at 280p; the Warrants of the last-named rose 8 to 106p after an investment recommendation. Bank of Ireland added 26 to 315p in a thin market. Directors' earnings were featured by a jump of 17 to 210p in Guinness Peat following comment on the results. Suspended around 3½ years ago soon after the start of the fringe banking crisis, dealings were resumed yesterday in Mortgage Mercantile opening at around 9p compared with a pre-suspension price of 16p. The shares improved steadily to close at 14p.

Ahead of tomorrow's interim figures, Sun Alliance rose 13 to 565p. Elsewhere in insurances, Guardian Royal Exchange, at 243p, and Phoenix at 262p, which also report half-year results tomorrow, improved 5 and 8 respectively. A broker's circular attracted buyers to Life issues and Pearl added 13 at 234p, while Hamilton Life firmed 11 to 243p as did Prudential, to 147p.

Leading Breweries made further progress during another useful two-way trade. In secondary issues, Wolverhampton and



Unilever advance
 The miscellaneous Industrial leaders were slow into their stride, but a renewed investment demand shortly before midday soon had prices rising afresh quite sharply. Unilever led with a rise of 16 to 546p, and was followed by Glaxo, 17 up at 613p. Reed International gained 13 to 215p, while improvements of 10 were seen in Pilkington, 470p, and Rankit and Colman, 387p. Beecham gained 7 more to 815p, while late demand lifted Bowater a like amount to 312p; the latter has interim results due on Thursday. Among secondary issues, Egan remained firm at 120p, up 10, awaiting news of the recent bid offering. Press comment inspired Coral Leisure, 15 up at 206p, and ICL, 10 higher at 242p. Hopes of an increased bid from Laird lifted Charrington 9 to 644p; news of a counter-offer from Coaltie and Chemical came well after market hours. Plesman improved 9 to 64p in response to news that Williams Hudson has raised its stake in the company to 11.48 per cent. Caravans International were up at 79p, up 7, while Portals, preliminary results due tomorrow, rose 9 to 236p.

Motors and Distributors encountered fresh selective support and Lucas, despite the continuing labour dispute, improved more to 322p. Dunlop firmed 5 to 118p, while Dowty was 3 better at 165p. North Sea oil enthusiasm flared again for Thomson and it continued well into the late inter-office dealings where the price was 83 higher at 713p. Elsewhere, TPT jumped 24 to 98p, after 102p, on news of the bid approach from the U.S.-based Sonoco Products.

Siebens (U.K.) jump
 Leading Oil closed at the day's best, after a good turnover. British Petroleum more than recovered the dividend deduction by closing 13 to the good at 914p, while the partly-paid rose a similar amount to 478p. Shell finished at a fresh 1977 peak of 605p, up 10, while Royal Dutch recovered 7 more to 460p. The feature outside of the leaders was Siebens (U.K.) which, on fresh hotel issues, advanced 27 to 322p. North Sea oil's bright light, Oil Exploration, managed to rise 7 more to 317p. Bormal were wanted at 76p, up 7, while a similar gain occurred in L.A.S.M. stock units, at 875p. Cluff Oil were quoted ex scrip issue at 53p, up an effective 50p. Ranner Oil out on 1½ to 219 in a thin market, but Ultramar were only 2 better at 245p.

Properties attracted further widespread demand, still on hopes of lower interest rates. Land Securities led the way with a gain of 11 at 207p. NEPC added 6 more at 11p and English improved 3

to 45p. Great Portland put on 12 to 300p, while Hammerston A were similarly higher at 540p. There was a lengthy list of rises up to double figures in secondary issues which took in Bradford, 17 up at 190p, and United Red, 11 higher at 278p. Rusts and Tompkins gained 7 to 75p with the help of Press comment. Further buying developed for Booker McConnell which put on 9 more to 233p.

Widespread gains were seen in Trusts, but the outstanding movements were confined to Capital Issues.

Shipments made progress in the course of a useful trade. P. & O., 131p, and British and Commonwealth, 314, both firmed 6.

Textiles encountered better support than late J. Dowson. A firm 4 to 91p, 4.4. Bright were similarly better at 39p. In contrast, Blackwood, Macton ahead 8 to 10p on the sharply lower annual profits, but other Carpet shares were inclined firmer: Youghal improved 5 to 55p in front of Friday's results.

Tobacco made headway. Bata Industries rising 12 to 295p, 1½ to 80p and Rothmans 2½ to 48p.

Guthrie put on 7 to 215p in Rubbers, while Waverley was similarly noteworthy in Teas for an improvement of a like amount to 175p.

South African Golds moved ahead strongly in the wake of the 8.15p rise in the bullion price to \$147.57 per ounce—its highest closing level since May 17—and the Gold Mines index rose 4.4 to its best level for nearly a month at 16.5.

Rises in both the investment premium and arbitrage rate sustained the advance in share prices.

Business, however, was by no means substantial owing to the closure of Cape markets for the Settlers Day holiday and the shutdown of U.S. and Canadian exchanges for Labour Day.

Persistent London buying orders were sufficient to produce gains of as much as a half-point in heavyweights such as Randfontein, 24½, West Driefontein, 41½ and Anglo Platinum, 43½, while lower priced issues put on up to 24 in Kloof, 388p. Blyvoor advanced 24 to 288p despite the pressure burst which occurred at the mine on Friday.

London-registered, Financials were posted in the second period of further strength from the buoyancy of the U.K. industrial market. Gold Fields and RTZ were both 6 to the good at 168p and 221p respectively.

Selection Trust, were the exception and remained undisturbed at 44½ following a Press report stating a denial by Amax that it had received a bid from Standard Oil of California.

	Sept. 5	Sept. 6	Sept. 7	Sept. 8	Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 29	Sept. 30	Oct. 1	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 6	Oct. 7	Oct. 8	Oct. 9	Oct. 10	Oct. 11	Oct. 12	Oct. 13	Oct. 14	Oct. 15	Oct. 16	Oct. 17	Oct. 18	Oct. 19	Oct. 20	Oct. 21	Oct. 22	Oct. 23	Oct. 24	Oct. 25	Oct. 26	Oct. 27	Oct. 28	Oct. 29	Oct. 30	Nov. 1	Nov. 2	Nov. 3	Nov. 4	Nov. 5	Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11	Nov. 12	Nov. 13	Nov. 14	Nov. 15	Nov. 16	Nov. 17	Nov. 18	Nov. 19	Nov. 20	Nov. 21	Nov. 22	Nov. 23	Nov. 24	Nov. 25	Nov. 26	Nov. 27	Nov. 28	Nov. 29	Nov. 30	Dec. 1	Dec. 2	Dec. 3	Dec. 4	Dec. 5	Dec. 6	Dec. 7	Dec. 8	Dec. 9	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24	Dec. 25	Dec. 26	Dec. 27	Dec. 28	Dec. 29	Dec. 30	Jan. 1	Jan. 2	Jan. 3	Jan. 4	Jan. 5	Jan. 6	Jan. 7	Jan. 8	Jan. 9	Jan. 10	Jan. 11	Jan. 12	Jan. 13	Jan. 14	Jan. 15	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20	Jan. 21	Jan. 22	Jan. 23	Jan. 24	Jan. 25	Jan. 26	Jan. 27	Jan. 28	Jan. 29	Jan. 30	Feb. 1	Feb. 2	Feb. 3	Feb. 4	Feb. 5	Feb. 6	Feb. 7	Feb. 8	Feb. 9	Feb. 10	Feb. 11	Feb. 12	Feb. 13	Feb. 14	Feb. 15	Feb. 16	Feb. 17	Feb. 18	Feb. 19	Feb. 20	Feb. 21	Feb. 22	Feb. 23	Feb. 24	Feb. 25	Feb. 26	Feb. 27	Feb. 28	Feb. 29	Mar. 1	Mar. 2	Mar. 3	Mar. 4	Mar. 5	Mar. 6	Mar. 7	Mar. 8	Mar. 9	Mar. 10	Mar. 11	Mar. 12	Mar. 13	Mar. 14	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26	Mar. 27	Mar. 28	Mar. 29	Mar. 30	Mar. 31	Apr. 1	Apr. 2	Apr. 3	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 10	Apr. 11	Apr. 12	Apr. 13	Apr. 14	Apr. 15	Apr. 16	Apr. 17	Apr. 18	Apr. 19	Apr. 20	Apr. 21	Apr. 22	Apr. 23	Apr. 24	Apr. 25	Apr. 26	Apr. 27	Apr. 28	Apr. 29	Apr. 30	May 1	May 2	May 3	May 4	May 5	May 6	May 7	May 8	May 9	May 10	May 11	May 12	May 13	May 14	May 15	May 16	May 17	May 18	May 19	May 20	May 21	May 22	May 23	May 24	May 25	May 26	May 27	May 28	May 29	May 30	May 31	Jun 1	Jun 2	Jun 3	Jun 4	Jun 5	Jun 6	Jun 7	Jun 8	Jun 9	Jun 10	Jun 11	Jun 12	Jun 13	Jun 14	Jun 15	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25	Jun 26	Jun 27	Jun 28	Jun 29	Jun 30	Jul 1	Jul 2	Jul 3	Jul 4	Jul 5	Jul 6	Jul 7	Jul 8	Jul 9	Jul 10	Jul 11	Jul 12	Jul 13	Jul 14	Jul 15	Jul 16	Jul 17	Jul 18	Jul 19	Jul 20	Jul 21	Jul 22	Jul 23	Jul 24	Jul 25	Jul 26	Jul 27	Jul 28	Jul 29	Jul 30	Jul 31	Aug 1	Aug 2	Aug 3	Aug 4	Aug 5	Aug 6	Aug 7	Aug 8	Aug 9	Aug 10	Aug 11	Aug 12	Aug 13	Aug 14	Aug 15	Aug 16	Aug 17	Aug 18	Aug 19	Aug 20	Aug 21	Aug 22	Aug 23	Aug 24	Aug 25	Aug 26	Aug 27	Aug 28	Aug 29	Aug 30	Aug 31	Sep. 1	Sep. 2	Sep. 3	Sep. 4	Sep. 5																																																																																																																	
Government Secs	71.87	70.95	70.91	70.85	70.65	70.35	70.25	70.15	70.05	69.95	69.85	69.75	69.65	69.55	69.45	69.35	69.25	69.15	69.05	68.95	68.85	68.75	68.65	68.55	68.45	68.35	68.25	68.15	68.05	67.95	67.85	67.75	67.65	67.55	67.45	67.35	67.25	67.15	67.05	66.95	66.85	66.75	66.65	66.55	66.45	66.35	66.25	66.15	66.05	65.95	65.85	65.75	65.65	65.55	65.45	65.35	65.25	65.15	65.05	64.95	64.85	64.75	64.65	64.55	64.45	64.35	64.25	64.15	64.05	63.95	63.85	63.75	63.65	63.55	63.45	63.35	63.25	63.15	63.05	62.95	62.85	62.75	62.65	62.55	62.45	62.35	62.25	62.15	62.05	61.95	61.85	61.75	61.65	61.55	61.45	61.35	61.25	61.15	61.05	60.95	60.85	60.75	60.65	60.55	60.45	60.35	60.25	60.15	60.05	59.95	59.85	59.75	59.65	59.55	59.45	59.35	59.25	59.15	59.05	58.95	58.85	58.75	58.65	58.55	58.45	58.35	58.25	58.15	58.05	57.95	57.85	57.75	57.65	57.55	57.45	57.35	57.25	57.15	57.05	56.95	56.85	56.75	56.65	56.55	56.45	56.35	56.25	56.15	56.05	55.95	55.85	55.75	55.65	55.55	55.45	55.35	55.25	55.15	55.05	54.95	54.85	54.75	54.65	54.55	54.45	54.35	54.25	54.15	54.05	53.95	53.85	53.75	53.65	53.55	53.45	53.35	53.25	53.15	53.05	52.95	52.85	52.75	52.65	52.55	52.45	52.35	52.25	52.15	52.05	51.95	51.85	51.75	51.65	51.55	51.45	51.35	51.25	51.15	51.05	50.95	50.85	50.75	50.65	50.55	50.45	50.35	50.25	50.15	50.05	49.95	49.85	49.75	49.65	49.55	49.45	49.35	49.25	49.15	49.05	48.95	48.85	48.75	48.65	48.55	48.45	48.35	48.25	48.15	48.05	47.95	47.85	47.75	47.65	47.55	47.45	47.35	47.25	47.15	47.05	46.95	46.85	46.75	46.65	46.55	46.45	46.35	46.25	46.15	46.05	45.95	45.85	45.75	45.65	45.55	45.45	45.35	45.25	45.15	45.05	44.95	44.85	44.75	44.65	44.55	44.45	44.35	44.25	44.15	44.05	43.95	43.85	43.75	43.65	43.55	43.45	43.35	43.25	43.15	43.05	42.95	42.85	42.75	42.65	42.55	42.45	42.35	42.25	42.15	42.05	41.95	41.85	41.75	41.65	41.55	41.45	41.35	41.25	41.15	41.05	40.95	40.85	40.75	40.65	40.55	40.45	40.35	40.25	40.15	40.05	39.95	39.85	39.75	39.65	39.55	39.45	39.35	39.25	39.15	39.05	38.95	38.85	38.75	38.65	38.55	38.45	38.35	38.25	38.15	38.05	37.95	37.85	37.75	37.65	37.55	37.45	37.35	37.25	37.15	37.05	36.95	36.85	36.75	36.65	36.55	36.45	36.35	36.25	36.15	36.05	35.95	35.85	35.75	35.65	35.55	35.45	35.35	35.25	35.15	35.05	34.95	34.85	34.75	34.65	34.55	34.45	34.35	34.25	34.15	34.05	33.95	33.85	33.75	33.65	33.55	33.45	33.35	33.25	33.15	33.05	32.95	32.85	32.75	32.65	32.55	32.45	32.35	32.25	32.15	32.05	31.95	31.85	31.75	31.65	31.55	31.45	31.35	31.25	31.15	31.05	30.95	30.85	30.75	30.65	30.55	30.45	30.35	30.25	30.15	30.05	29.95	29.85	29.75	29.65	29.55	29.45	29.35	29.25	29.15	29.05	28.95	28.85	28.75	28.65	28.55	28.45	28.35	28.25	28.15	28.05	27.95	27.85	27.75	27.65	27.55	27.45	27.35	27.25	27.15	27.05	26.95	26.85	26.75	26.65	26.55	26.45	26.35	26.25	26.15	26.05	25.95	25.85	25.75	25.65	25.55	25.45	25.35	25.25	25.15	25.05	24.95	24.85	24.75	24.65	24.55	24.45	24.35	24.25	24.15	24.05	23.95	23.85	23.75	23.65	23.55	23.45	23.35	23.25

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

Table of financial data for offshore and overseas funds, including columns for fund names, managers, and performance metrics.

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

INSURANCE, PROPERTY, BONDS

Table of financial data for insurance, property, and bond products, including columns for product names, providers, and terms.

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

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Notes and additional information regarding the financial data presented in the tables.

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BRITISH FUNDS table with columns for Stock, Price, Div, and Yield.

Over Fifteen Years table showing performance metrics for various funds.

INTERNATIONAL BANK table listing various international banking services.

COMMONWEALTH & AFRICAN FUNDS table listing investment funds.

FOREIGN BONDS & RAILS table listing foreign investment options.

AMERICANS table listing American investment funds.

AMERICANS-Continued table with financial data for American stocks.

CANADIANS table with financial data for Canadian stocks.

BANKS AND HIRE PURCHASE table listing bank and hire purchase services.

BEERS, WINES AND SPIRITS table listing beverage companies.

LOANS (Miscel.) table listing various loan products.

AMERICANS table (repeated) listing American investment funds.

BUILDING INDUSTRY, TIMBER AND ROADS table listing construction and infrastructure companies.

BUILDING INDUSTRY-Cont. table with financial data for building industry.

CANADIANS table (repeated) with financial data for Canadian stocks.

BANKS AND HIRE PURCHASE table (repeated) listing bank and hire purchase services.

BEERS, WINES AND SPIRITS table (repeated) listing beverage companies.

LOANS (Miscel.) table (repeated) listing various loan products.

AMERICANS table (repeated) listing American investment funds.

BUILDING INDUSTRY, TIMBER AND ROADS table (repeated) listing construction and infrastructure companies.

DRAPERY AND STORES-Cont. table with financial data for drapery and stores.

CANADIANS table (repeated) with financial data for Canadian stocks.

BANKS AND HIRE PURCHASE table (repeated) listing bank and hire purchase services.

BEERS, WINES AND SPIRITS table (repeated) listing beverage companies.

LOANS (Miscel.) table (repeated) listing various loan products.

AMERICANS table (repeated) listing American investment funds.

BUILDING INDUSTRY, TIMBER AND ROADS table (repeated) listing construction and infrastructure companies.

ENGINEERING-Continued table with financial data for engineering firms.

CANADIANS table (repeated) with financial data for Canadian stocks.

BANKS AND HIRE PURCHASE table (repeated) listing bank and hire purchase services.

BEERS, WINES AND SPIRITS table (repeated) listing beverage companies.

LOANS (Miscel.) table (repeated) listing various loan products.

AMERICANS table (repeated) listing American investment funds.

BUILDING INDUSTRY, TIMBER AND ROADS table (repeated) listing construction and infrastructure companies.

HOTELS-Continued table listing hotel companies.

INDUSTRIALS (Miscel.) table listing various industrial companies.

ENGINEERING AND RADIO table listing engineering and radio companies.

ENGINEERING table listing engineering firms.

ENGINEERING table (repeated) listing engineering firms.

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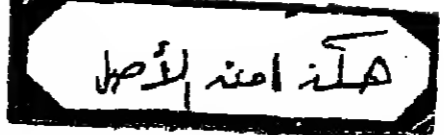
ENGINEERING table (repeated) listing engineering firms.

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Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'INDUSTRIALS - Continued' and 'INSURANCE - Continued'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'MOTORS, AIRCRAFT TRADES' and 'COMMERCIAL VEHICLES'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'SHIPBUILDERS, REPAIRERS' and 'SHIPPING'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'SHOES AND LEATHER' and 'SOUTH AFRICANS'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'NEWSPAPERS, PUBLISHERS' and 'TEXTILES'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'PAPER, PRINTING, ADVERTISING' and 'PROPERTY'.

Table with columns for Stock, Price, and various market indicators. Includes sub-sections like 'PROPERTY', 'TOBACCO', 'TRUSTS, FINANCE, LAND', 'INSURANCE', 'MOTORCYCLES', 'MOTOR VEHICLES', 'MOTORCYCLES', 'MOTOR VEHICLES', 'MOTORCYCLES', 'MOTOR VEHICLES'.

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Table titled 'MINES - Continued' and 'CENTRAL AFRICAN' with columns for High, Low, Stock, Price, Div, and Yld.

Table titled 'AUSTRALIAN' with columns for High, Low, Stock, Price, Div, and Yld.

Table titled 'TINS' with columns for High, Low, Stock, Price, Div, and Yld.

Table titled 'COPPER' with columns for High, Low, Stock, Price, Div, and Yld.

Table titled 'MISCELLANEOUS' with columns for High, Low, Stock, Price, Div, and Yld.

NOTES section containing various financial notes and market observations.

Table titled 'TEAS' with columns for India and Bangladesh, Sri Lanka, Africa, and MINEs.

Table titled 'CENTRAL RAND' and 'EASTERN RAND' with columns for various stock prices.

Table titled 'FAR WEST RAND' with columns for various stock prices.

Table titled 'O.F.S.' with columns for various stock prices.

Table titled 'FINANCE' with columns for various stock prices.

Table titled 'DIAMOND AND PLATINUM' with columns for various stock prices.

Table titled 'REGIONAL MARKETS' and 'OPTIONS 3-month Call rates' with columns for various market data.



DEMONSTRATORS JOSTLE GORMLEY



BY NICK GARNETT, LABOUR STAFF

MR. JOE GORMLEY, the National Union of Mineworkers president, was jostled and spat at for several minutes in Blackpool yesterday before police and senior union officials could clear a way for him.

Mr. Gormley, bearing the brunt of abuse from fist-slaking demonstrators, including members of the Trotskyist-backed Right to Work campaign, had to walk more than 100 yards surrounded by a protective shield of police and NUM officials.

As he left the town's Winter Gardens, the TUC Congress venue, later a large group of demonstrators followed him, chanting and arguing with him about pit closures and unemployment before leaders of the demonstrators ordered them back.

Mr. Gormley said last night: "I was a deplorable state of affairs. Something has got to be done about the laws of the land."

"It didn't frighten me but it could be a frightening thing to a hell of a lot of people. I think we are getting ourselves into a bit of a mess and society when people who want to express a point of view have to split in other people's faces."

The arrest of Mr. John Deason, the campaign leader, during the demonstration provoked a further march to Blackpool central police station where a line, four deep and 100 yards long, of Right

To Work campaigners formed in one of the side roads. Campaign stewards appealed to demonstrators, almost all of them in their teens and early twenties, for order and calm and told them to sit peacefully in the road.

Campaign stewards appealed to demonstrators, almost all of them in their teens and early twenties, for order and calm and told them to sit peacefully in the road.

The campaigners, many of them recognisable from the Grunwick picket lines and some carrying flags on their orange waistcoats like "Veteran of Lewisham" and "East End Trotskyist Boot Boys" were trying to stay there until Mr. Deason was released on bail.

Later in the evening, a few Right to Work campaigners entered the Imperial Hotel, the main delegate hotel, and scuffles broke out at one of the hotel receptions.

The Right to Work campaign, whose most common chant is "Occupay, nationalise, fight for the right to work", is planning a national rank and file delegate conference in Manchester in November.

Apart from the Right to Work marchers, separate demonstrations were organised by trade delegations against the 12-month rule, by the Grunwick strikers, and the Campaign Against Youth Unemployment.

CBI to debate calls for curbs on trade unions

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A SUBSTANTIAL number of demands for new laws to curb trade union activities have been submitted for debate at the CBI's first national conference since November. This means CBI leaders are likely to come under pressure to change their policy of avoiding major changes in employment law.

The demands are controversial because they come only three years after the restrictions of the 1971 Industrial Relations Act were repealed, and they coincide with a debate among Conservative Party leaders about what employment laws they should propose for the next general election.

The ideas include introducing a legal freedom not to belong to a trade union so as to outlaw closed shops; making labour agreements legally binding; and introducing postal ballots before strikes and other major union decisions are taken.

There is also considerable concern about picketing, with proposals for new legal restraints, as well as opposition to early legislation on worker directors.

Nearly 100 resolutions have been submitted to the CBI, mainly through employer and trade associations, for the two-day conference in Brighton. The CBI headquarters staff is grouping these and other resolutions for the conference's five main debating sessions. These will cover relations, the State and its relationships with businesses and individuals, problems of investment and manpower, employee participation, and Britain's role in the world economy.

Up to 2,500 delegates are expected to attend the conference, some in groups from large company headquarters staffs.

Many of the protests aired will concern Government and trade union power. It will be proposed that the CBI should withdraw from co-operation with the Government in joint bodies such as the National Economic Development Council.

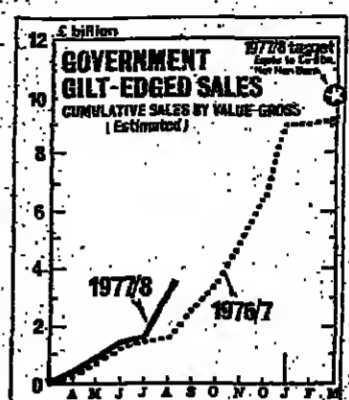
But the calls for new labour laws may turn out to be the most controversial, even though

it is too early to be precise about what the resolutions which are accepted for debate by the CBI president's committee will be.

Up to now the CBI's leaders have stood back from proposing any early legislative changes. Yesterday the CBI's employment policy committee studied a short draft policy paper on the subject of amending Industrial Relations Law. This explores problems associated with the Advisory, Conciliation and Arbitration Service and its union recognition procedures, some of which have been highlighted by the Grunwick dispute.

It also looks at the possibility of closed shop laws (which were not fully effective under the Industrial Relations Act), sympathy strikes involving a third party, postal ballots, and picketing problems.

Index rose 12.0 to 519.5



Long gilts wait to join the party

A seasonally adjusted public sector borrowing requirement of £1.7bn. in the first quarter of the financial year provides further evidence of the way in which the economic background is developing favourably for the gilt-edged market. Projecting the full year's output is, of course, a risky procedure at this early stage: special factors affecting April-June include the absence of the income-tax concessions which have since become effective, and the crediting of some £150m. of BP sale proceeds (the rest coming in December). Still, it is possible to see the 1977-78 PSBR coming out at £8bn. or less, against the last official forecast of £8.5bn.

Although continuing to be overshadowed by the progress of the equity market, gilts picked up speed yesterday, and the F.T. Government Securities Index level of 71.27 has only been exceeded on one day (May 18), this year. Since May, however, the longs have significantly underperformed the shorts which have been much more directly under the influence of declining money rates.

Two of the F.T. Actuaries five-year gilt-edged yield indices reached new lows yesterday, but although the yield on the high coupon 25-year index has now dipped under 13 per cent, it remains 0.44 points above the figure attained in mid-May.

Yesterday the institutions were switching finger and significant number of investors from the U.S. and abroad are now putting at the long end, where the glut of stock only a week or two ago has turned into a shortage. Exchequer 123 per cent 1994 yesterday moved ahead of its issue price. There are obvious risks, of which the most immediate is the TUC vote on the 12-month rule. But it is hard to see that the Treasury will think it necessary to pay such high rates of interest on long-term borrowing for very much longer.

Labour day and down in Africa they were seen. Settlers' day but this is the worst of the other world stock markets ahead. Apart from where equities were in line for the Japanese moved into new high for 1977 and the Tokyo Jones Industrial average rose by nearly a tenth late July. It is now only cent. off its all-time high.

Over the last few weeks seems to have been improvement in sentiment many of the world's major markets. Whereas for the year they have been troubled by the signals coming out of Street, the space of falling packages now being jostled by governments around world to bolster up flagging growth rates, has been well received by individual stock markets.

Japan cut its discount rate yesterday for the third time this year and is following static for four years, while trading profits have steadily declined from 1974's £10.9m. to 6.7 per cent growth in fiscal 1977. Both France and Italy have recently cut bank rates and announced monetary packages. The German authorities took action last month, many blue chips, though TV may not have lost money and the worst problems of the U.S. records business should have been cured. But this year Decca's profits are likely to rely at least as much as ever on the capital goods side, and there looks to be sufficient growth from Navigator systems, the revived marine radar side and electronic warfare contracts to carry Decca out of the £13m. profits territory it has been inhabiting for five years.

The results were good enough to make the shares—the voters put on 28p to 440p—stand out even in yesterday's market. A temporary lull in bid speculation has left these only 10p higher than the "A" shares and the Board, with 19 per cent of the votes, shows no sign yet of relying on any of the industry's rationalisation kit. With the engineering resources it controls, it could command comfortably more than the current p/e of 123 should it change its mind.

half. Consumer goods, which had reached a nadir of £750,000 profit from £40m. of turnover in the first half, just beat £3m. for the year.

In money terms, consumer goods sales here have been static for four years, while trading profits have steadily declined from 1974's £10.9m. to 6.7 per cent growth in fiscal 1977. Both France and Italy have recently cut bank rates and announced monetary packages. The German authorities took action last month, many blue chips, though TV may not have lost money and the worst problems of the U.S. records business should have been cured. But this year Decca's profits are likely to rely at least as much as ever on the capital goods side, and there looks to be sufficient growth from Navigator systems, the revived marine radar side and electronic warfare contracts to carry Decca out of the £13m. profits territory it has been inhabiting for five years.

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Power cuts could hit many parts of Britain to-day

BY DAVID CHURCHILL, LABOUR STAFF

MANY PARTS of Britain could face electricity cuts or reduced voltage this morning because of the threatened two-day unofficial strike by power station workers.

The most vulnerable hours are 7 a.m. to about 9 a.m. when demand is at its highest because of breakfast cooking.

The strike action was planned by workers in about 40 of the 170 power stations throughout Britain. They are protesting at the lack of negotiations on their demands for improved shift pay—from £4 to £10 a week—and better fringe benefits.

An unofficial shop stewards' committee, based in Yorkshires, was set up to press their demands.

On Sunday, the committee turned down an appeal from full-time union officials to call off the strike, pending the start of official negotiations in a few weeks' time. The committee said the official union action had come "too late."

Effects of the power workers' action on electricity supplies were difficult to determine yesterday because of the unofficial nature of the strike.

the strike. The General and Municipal Workers said that the issues would be discussed on September 16 with the Electricity Council.

"I do not know if the men have as much support as they claim," a spokesman said.

The other unions involved are: the Transport and General Workers' Union, the Electrical and Plumbing Trades Union, and the Amalgamated Union of Engineering Workers.

The Electrical Power Engineers Association, which represents skilled engineers and management, has instructed its 34,000 members "to do all possible to maintain the electricity supply and to limit the massive disruption that would occur otherwise."

Mexico to raise \$1 bn. loan

By Francis Ghiles

MEXICO IS to raise a loan of at least \$1bn. for seven years from international banks. The loan is expected to meet most of its foreign exchange needs to the end of the current year.

It has already borrowed well over \$1bn. this year and has held the IMF. It would not increase its net bank borrowings by more than \$3bn. during the year. The amount of the loan at present being negotiated could be increased if the response from the banks is good.

External debt

According to recent Morgan Guaranty figures, Mexico's external debt was \$27.6bn. at the end of 1976. The country's external debt more than doubled between 1973 and 1976.

Mexico's debt to commercial banks totalled \$18bn. at the end of last year, of which over \$7bn. was due to be repaid this year. A large portion of this comprises short-term commercial credit, which should easily be extended.

But its debt-service ratio—amortisation and interest payments as percentage of exports of goods and services—was 31.7 per cent at the end of last year, which is high by Third World standards, but less than that of Brazil, Chile and Argentina.

Mexico's trade deficit was \$3.7bn. in 1975 but was reduced to \$2.7bn. last year. The long-term outlook for the balance of payments is more favourable than those figures might suggest, because of the country's oil and natural gas resources. Nevertheless, over the next two or three years there will be a big increase in the external debt servicing burden, and the need to borrow large new amounts to finance expansion of gas and oil resources will persist.

Bank syndicate

The syndicate of banks which is arranging this \$1bn. loan includes Bank of America, Deutsche Bank, Lloyds Bank International, and Morgan Guaranty, which is acting as agent.

Mexico is expected to pay a margin of 11 per cent over inter-bank rates, a figure in line with what it has been paying on recent loans.

The bank's management fee is 1 per cent, lower than has been the case recently for Mexico.

Follow-up summit on economic growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROBABLE failure of the main Western industrialised countries to fulfil the economic growth commitments agreed at the Downing Street summit in May is likely to be the main theme of a follow-up meeting in Washington in three weeks' time.

This meeting has been confirmed following the hints by Prime Minister on Friday, when he indicated that he was disappointed with the results of the earlier summit.

The talk will be held at the same time as the International Monetary Fund annual meeting, also in Washington, but will be separate.

Senior officials from the seven summit participants will attend. The U.K. team will be led by Sir John Hunt, the Cabinet Secretary, with Sir Michael Palliser from the Foreign Office and Mr. Ken Couzens from the Treasury.

The talks are at present intended to be essentially a post-mortem and follow-up to the earlier meeting rather than a preparation for a new summit. But a later meeting of political leaders has not been ruled out.

There is no formal agenda yet. But the main item will be a review of progress on how far the economic growth targets for 1977 agreed in May have been achieved.

The talks are also likely to cover the suggestions about a medium-term economic targets put forward at the ministerial meeting of the Organisation for Economic Co-operation and Development two months ago.

A problem about the economic growth commitments made in May is that effectively it will be too late to introduce corrective measures by the time they do not look like being achieved. So it has been suggested that any future targets should be at least a year ahead and thus should be more achievable.

Mr. James Callaghan last week made it clear his disappointment in the decision of the summit to expand in West Germany and the U.S., and referred to the Western leaders' commitment in May to countervailing measures if growth did fall short of target.

By the time the Washington talks occur, both the Japanese and West German Government should be able to point to new expansionary economic packages as a sign of their good intentions in carrying out their May commitments. Since the May meeting, there has been increasing concern about the slowdown in the world economic recovery, highlighted in the OECD mid-year report, and in particular about whether the leading industrialised countries will achieve their growth targets.

Editorial Comment, Page 18
Bonn may seek reassurance. Page 4

Unofficial

The Electricity Council said it could mean little more than a degree of voltage reduction which would pass unnoticed by most customers.

"On the other hand, if the unofficial movement was to receive the full support it has publicly claimed, there could be a higher level of discomfort and hardship," a spokesman said.

The four main unions to which the power workers belong were also unable yesterday to estimate the degree of support for

Picket lines

But the engineers are not expected to cross hostile picket lines because of the effect on Contingency plans have also been set in operation by the Electricity Council "to ensure that everything will be done to minimise any inconvenience to the public."

Should the power supply position deteriorate over the two days of the unofficial strike action, the Council says, then there would be a system of rotation of about three hours.

Electricity Boards will make readily available advice on measures which could be taken by the public themselves should cuts become necessary.

In particular, the Electricity Council will ask for strict economies in the use of electricity in the home and industry.

French Left quarrel grows

BY ROBERT MAUTHNER

PARIS, Sept. 5.

THE BITTER quarrel between the French Communist and Socialist Parties—the two main partners of the opposition Union of the Left—reached new extremes to-day with publication by the Communist Party newspaper L'Humanité of a detailed catalogue of their differences.

L'Humanité's two-page supplement, of which 6m. copies were printed, was published only some 10 days before the scheduled "summit" of the Left, at which final agreement is supposed to be reached on updating its five-year-old common programme.

Judging by the terms in which the supplement was couched, the prospects for such an agreement are now very slim.

In a front-page article, M. Georges Marchais, Communist secretary-general, said that "serious differences" remained to be ironed out between the two parties over the whole range of social, economic and defence policies set out in the common programme.

If the Socialist Party's proposals were accepted, the new policies expected by the French

working class would never be implemented.

The Communist Party could not be expected to "manage the crisis" facing the country and apply austerity policies.

M. Marchais was in effect replying to a much-quoted statement made a few days ago by M. François Mitterrand, his Socialist opposite number, in which he said "Yes" to the Left's common programme but "No" to the Communist programme.

Among the points at issue, L'Humanité listed the nationalisation programme, which the Communists want to extend and the Socialists want to restrict to the original nine industrial groups and the banking and financial sectors.

Other disagreements given prominence by the paper included the level of the national minimum wage and the Socialists' refusal to accept Communist proposals on capital and wealth taxes and wage differentials.

On defence, M. Jean Kapapa, the Communist Party's foreign affairs expert, said that while his party had come out un-

equivocally in favour of an independent national defence policy, including the retention of the nuclear deterrent, the Socialists wanted this last matter put to a referendum.

Nor were they prepared to accept the Communists' doctrine of defence in all directions.

But whatever the Communists' real motives, relations between the two parties have now deteriorated to the point at which the whole credibility of the Union of the Left has been seriously undermined in the public opinion.

French Budget, Page 4

Weather

U.K. TO-DAY
CLOUDY with showers.
London, S.E., Cent. N. England, N. Anglia, Midlands,
Mostly dry but cloudy with bright intervals. Max. 20C 16SF. Channel Is., W., N.E. England, Wales, Lakes
Mostly cloudy, with rain or drizzle. Max. 16-18C (61-64F).
I. of Man, Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, Newcastle, Ireland
Rain and bill fog then showers and sunny periods. Max. 16C (61F).
Aberdeen, Cent. Highlands, Moray Firth, N. Scotland, Argyll.
Showers and sunny periods. Max. 14-16C (57-61F).
Outlook: Showers in N., mostly dry in S.

BUSINESS CENTRES

	Y day	Y day	Y day
	mid-day	mid-day	mid-day
Alexandria	F 16	Luzemb'g	F 18
Amsterdam	F 16	Madrid	F 18
Antwerp	F 16	Moscow	F 18
Bahran	F 16	Munich	F 18
Barcelona	F 16	Nairobi	F 18
Bombay	F 16	Osaka	F 18
Buenos Aires	F 16	Paris	F 18
Cairo	F 16	Rangoon	F 18
Calcutta	F 16	Reykjavik	F 18
Cardiff	F 16	Rio de J'ne	F 18
Cebu	F 16	Rome	F 18
Colon	F 16	Sao Paulo	F 18
Dublin	F 16	Seoul	F 18
Edinburgh	F 16	Singapore	F 18
Frankfurt	F 16	Sydney	F 18
Geneva	F 16	Taipei	F 18
Hankow	F 16	Tokyo	F 18
Hong Kong	F 16	Winnipeg	F 18
London	F 16	Zurich	F 18

HOLIDAY RESORTS

	Y day	Y day	
	mid-day	mid-day	
Ajaccio	F 16	Jersey	F 18
Algeria	F 16	Les Pins	F 18
Astoria	F 16	Locarno	F 18
Bahran	F 16	Madona	F 18
Bordeaux	F 16	Malaga	F 18
Boston	F 16	Malta	F 18
Brussels	F 16	Mexico	F 18
Cardiff	F 16	Naples	F 18
Cebu	F 16	Norwich	F 18
Colon	F 16	Osaka	F 18
Dublin	F 16	Oslo	F 18
Edinburgh	F 16	Palermo	F 18
Frankfurt	F 16	Parma	F 18
Geneva	F 16	Perth	F 18
Hankow	F 16	Prague	F 18
Hong Kong	F 16	Rangoon	F 18
London	F 16	Reykjavik	F 18
		Rome	F 18
		Sao Paulo	F 18
		Seoul	F 18
		Singapore	F 18
		Sydney	F 18
		Taipei	F 18
		Tokyo	F 18
		Winnipeg	F 18
		Zurich	F 18

World markets

North American stock markets were closed yesterday for vertical integration.

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Gilts rise strongly equities up 6.3

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